



Expanding Opportunities Worldwide



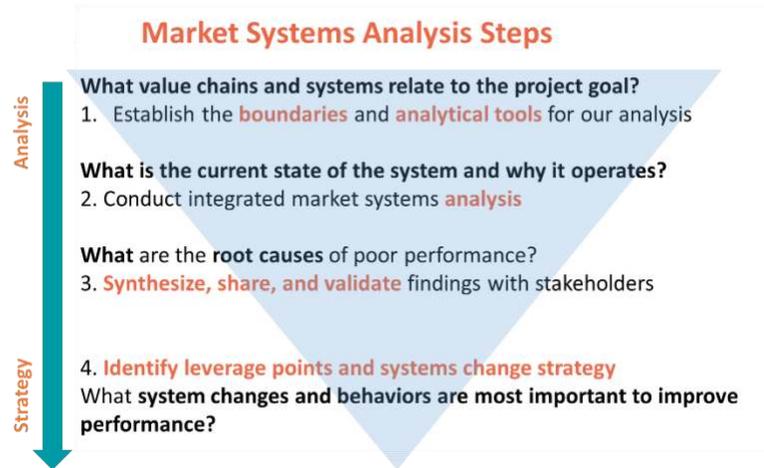
**End Market
Analysis
Toolkit**

April 2021

Introduction

ACDI/VOCA's inclusive market systems approach uses a variety of analytical tools and methodologies to provide a comprehensive picture of the market system. Our analyses helps us determine which value chains (among other systems) are most important to our project objectives as well how those systems operate. A key analysis we use in our suite of market systems analysis tools to help us answer these questions is our End Market Analysis (EMA) Toolkit.

An EMA studies market opportunities, barriers to entry, production capability to meet market quantity and quality demands, and the system's existing or potential competitive advantages. The primary objective of an EMA is to develop a high-level understanding of the market's existing or potential competitive advantages, differentiating sectors and prioritizing market segments, and mapping how major market segments in each of the identified sectors work. The key outcomes of the EMA include starting to draw the boundaries of the market system that our projects will focus on, guiding project activities toward high potential sectors and market segments, helping advise partners on end marketing and upgrading strategies, and enabling for segment prioritization based on the private sector's ability to compete in segments which offer value-added opportunities at scale, are less prone to risks, and offer inclusive potential for market actors.



While assessing competitiveness is the focus of an EMA, resilience and inclusion are also fundamental to the EMA methodology and to the objectives of ACIDI/VOCA's inclusive market systems approach. However, given the specialized expertise required to adequately address resilience and inclusion topics in a sector or value chain (VC), additional studies are needed to fill information gaps on resilience and inclusion. ACIDI/VOCA's Zambia Enterprise Development and Growth Enhanced (EDGE) Activity, for example, followed a market systems approach to VC selection, relying on multiple analyses, including an EMA, to deliver the analytical inputs needed to carry out comprehensive indexing of VCs. The outcome was the informed selection of six competitive, resilient, and inclusive VCs. See Box 1 below for more detail on how the EDGE activity used the EMA and other studies to inform its project design.

This toolkit provides the foundation for ACDI/VOCA to conduct standardized, high-quality EMAs in sectors around the world by providing staff with a guide and templates for planning, designing, and implementing an EMA. As a first step, staff should use the toolkit and templates to adapt the EMA to fit the needs and objectives of the unique ACDI/VOCA project undertaking the EMA.

Box 1. Following a market systems approach to selecting the project’s target VCs, ACDI/VOCA’s Zambia EDGE Project developed a VC prioritization index to guide the selection of six high-potential VCs for the project to focus on. The index was used to assess 10 VCs across five criteria: potential for systemic change, competitiveness, inclusion, resilience, and enabling environment. Unique indicators and weights were assigned to each criterion in alignment with the priorities of the project (e.g., inclusion criteria received the highest overall weight of 30% due to its importance to the project). A comprehensive set of studies were designed to inform the projects start-up activities and provide the key data points, context, and scoring for the index’s 13 indicators. EMAs were carried out for all 10 VCs and provided indicator data for most of the competitiveness and systemic change indicators as well as a subset of the inclusion and enabling environment indicators. Additional studies were carried out concurrently, including Gender, Youth, and Social Inclusion (GYSI) analysis, environment and climate risk assessments, nutrition and food security assessment, and financial systems analysis, and provided the necessary inputs for certain inclusion, resilience, and competitiveness indicators for each VC. Weighted average scores for each VC were then calculated and ranked, enabling the project to select the six highest scoring VCs which represented the highest-potential competitive, inclusive, and resilient VCs to move forward with over the life of the project.

Contents of This Kit

This toolkit informs ACDI/VOCA staff on the process and value of conducting an EMA for market systems development, provides recommended tools for conducting an EMA along with considerations for project-specific EMA design, and grounds these tools through case studies from the Honduras Transforming Market Systems (TMS) and Zambia EDGE projects to ensure their practical application. The toolkit includes a scope of work (SOW) template, methodology, and final report template for conducting an EMA. The SOW and methodology were discussed, reviewed, and tested by ACDI/VOCA and its implementing partners in Honduras and Zambia. The report template was developed for and tested in Zambia and subsequently underwent minor revisions according to user feedback and lessons learned.

When to Use This Kit

EMAs help answer a range of important research questions of relevance to market systems development.

An EMA helps answer certain types of research questions. For each sector or VC, these questions include:

Which value chains relate to our project goal?

- What are the sector/VC's existing or potential competitive advantages?
- Which segments are best positioned to drive more competitive, inclusive, and resilient results?
- Which market segments should project activities/funds be guided towards?

What is the current state of the market system and how does it work?

- What are the current and potential productive capabilities relevant to reaching target markets?
- What areas should project activities focus on to build partner capacity for end marketing and upgrading strategies?
- What are the defining characteristics or attribute demands of customers within each major segment?
- What are the end market opportunities in terms of buyers, competitors, volumes, prices, segmentation, growth, consumption trends, differentiation, standards, and other market requirements?
- At what point(s) along the VC should the project focus its interventions to maximize its impact on competitiveness, resilience, and/or inclusion?

If you seek answers to these questions, the EMA will help generate actionable responses.

EMAs can inform project strategies to improve competitiveness, resilience, and inclusivity of one or more sectors and help gather information for subsequent cross-sectoral comparison/ranking.

The EMA toolkit is designed to analyze a single VC or sector and help prioritize the most promising market segments *within* that VC or sector. If a project seeks information on multiple sectors, then the project should undertake multiple EMAs, one for each sector. While the EMA produces a range of data that is useful for strategic VC development, it also produces data that can be benchmarked against other VCs undergoing an EMA. That said, this toolkit does not establish a comprehensive framework for the comparison of VCs. See Box 1 for an example of VC comparison using a VC prioritization index that incorporates data gathered from EMAs. Supplemental end market research and additional approaches for targeted end market research and VC comparison can be found on [Marketlinks](#), including seasonality analysis and shaded grid analysis.

EMAs may be utilized at any stage of the proposal or project cycle, depending on project needs and objectives.

An EMA may be appropriate during capture, startup, or later in the project cycle. Depending on the project/proposal's needs, it may make sense to conduct an initial 'lighter touch' EMA, which is the focus of this toolkit, that utilizes publicly available data, secondary sources, and desk research with limited key informant interviews and focus group discussions.

EMAs can be one-off or iterative, and typically reveal areas for further research and data collection.

Depending on the country's market dynamics, the project's indicators, and/or the influence of external shocks over the life of the project, the EMA may be a one-off or an iterative process carried out periodically to help inform project programming and adaptive management strategies. If the market system is perceived to have significantly changed, for instance, consider conducting a follow-on EMA. For example, ACIDI/VOCA's Agriculture and Food Development Activity (AFDA) in Myanmar needed to repeat end market studies due to political and economic shocks from COVID-19 and a military coup that significantly altered supply and demand factors in the market system.

Built into the final steps of the EMA SOW is defining recommendations for further research and (primary or secondary) data collection. Implementers should expect the EMA to uncover priority areas for further inquiry and be prepared to carry out (or contract out) additional, targeted EMA research that supports project objectives. For aspects of the EMA SOW that were not available online or through key informant interviews (KIIs), primary data collection may be required to fill those gaps. Projects can draw on other market systems tools and analyses to fulfill these research goals. Illustrative examples of follow-on research include focused studies on market standards and certifications for high priority market segments, understanding trade policies and export documentation requirements for export-oriented segments, network analysis to understand input/output relationships, targeted analysis to identify end-markets with demand necessary to drive profitable upgrades in a sector that lead to better *quality* jobs for male and female youth, or pinpointing enterprise constraints to accessing finance and reaching higher value markets.

Pre-EMA Checklist

Consider the following questions to help you prepare for planning and designing the EMA to fit your project's specific needs, budget, and desired outcomes.

Pre-EMA Checklist:

- What is the purpose of the specific EMA to be conducted, and what are the questions that need to be asked?
- How will the EMA be resourced and contracted?

- Have sufficient well-qualified staff/contractors been identified to do the EMA? Is there a local organization or government counterpart that could carry out the study? **NOTE:** Working through a local entity is a more in-line with ACIDI/VOCA's facilitation approach, by providing capacity building support to local organizations in order to strengthen local sources of market information,
- Do staff/contractors carrying out the EMA need to be trained on any topics to deliver the expected results (e.g., expectations on reporting of inclusion topics)?
- Have you consulted with your GYSI technical staff on how best to incorporate inclusion considerations in the EMA? Or will a separate GYSI study be required?
- Is the timing right to feed into design, strategy, planning, reviews, or other decisions? Does the timing align with other complementary studies taking place, if any?
- Who is the primary audience? Are there tensions between different audiences, and how can these be managed?
- Is there sufficient budget and other resources, as well as internal buy-in, to get traction on the findings that will emerge from the applied EMA process and how those findings will be used to act on implications and recommendations?
- Do those designing the program agree on the value of the EMA and how it will inform the theory of change?
- Like other preliminary analyses, how can the EMA be best leveraged to build buy-in, goodwill, and eventual support from local partners (such as lead firms, associations, government, chambers, etc.)?
- Have you planned for how to ensure ownership of the findings? This includes building the support of key leadership, support teams, and the key staff of the implicated teams.
- Has a plan been developed to conduct a literature review or an inception report internally or externally? Will the literature review's author participate in the field research?
- How will the analysis be shared and disseminated, and with whom?
- Is there an agreed-upon process for continued learning after the baseline EMA?
- Have indicators been developed to assess the impact of the EMA on programs and processes (i.e., uptake)?

SCOPE OF WORK – Content and Guidance

This SOW is designed to be a ‘light-touch’, baseline EMA tailored for the individual or firm leading the EMA research. In each section of the SOW, recommended content, key

considerations, and brief explanations are provided. The SOW is a template that should be customized for each project’s unique needs and budget. The SOW includes the following sections: project background, objectives, methodology, research team, data collection, work plan, and reporting template. The estimated level of effort (LOE) is provided in the research team section, based on ACDI/VOCA’s experience carrying out EMAs for the Honduras TMS and Zambia EDGE projects.

1. PROJECT BACKGROUND

Include the following content in this section:

- What is the high-level purpose or goal(s) of the ACDI/VOCA project? Include the project’s theory of change and intermediate result (IR) level objectives.
- What is the approach of the ACDI/VOCA project? Such as a market systems approach, facilitative approach to VC development, etc.

2. OBJECTIVES

Include the following content in this section:

- What are the objectives of the EMA?
- How do the EMA objectives connect with the project’s purpose and approach?
- Example content for this section:
 - General: *To develop a high-level understanding of how the markets for major segments in each of the project’s priority sectors work and where the most promising market segments are located.*
 - General: *The EMA frames the choices, or trade-offs, in pursuing market segments and considers the degree to which market actors may have a competitive advantage.*
 - General: *The EMA will start to draw the boundaries of the market system, guide project activities toward high potential sectors and market segments, help advise partners on end marketing and upgrading strategies, and enable for sector prioritization based on the private sector’s ability to compete in segments which offer value-added opportunities at scale, are more resilient, and offer the potential for inclusive growth.*
- How will the outputs be used?
 - Honduras TMS excerpt: *This analysis will feed into the TMS Market Systems Assessment report and inform concurrent market systems analysis which will both draw from and inform this analysis through scheduled ‘pause and reflect’ meetings. This analysis will also inform the selection of priority sub-sectors in the value-added agriculture and tourism and creative industry market systems.*

- Zambia EDGE excerpt: *Data from this analysis will feed into the EDGE value chain prioritization index and report ([USAID presentation](#)), which will identify the priority value chains for EDGE to primarily engage during the life of activity.*

3. METHODOLOGY

The *Segment-Target-Position* framework is a buyer-centric approach that has been adapted to inclusive market systems development. This widely used methodology focuses on country- or sector-level analysis and includes consideration for environmental risks and the inclusive participation of women and youth. Adjustments to the scope should be made in accordance with the user's goals. For instance, by adding ethnic minorities, people with disabilities, LGBTIQ+, and/or other marginalized groups to the scope.

Include the following content in this section, adjusting it to fit the project's specific objectives and budget:

Applying a *Segment-Target-Position* framework, the EMA informs:

- Segmenting of markets (domestic, regional, and international) that offer value-added (and, if applicable, raw commodity) opportunities for major product segments of a sector that will incentivize upgrading of enterprises. This includes a broad understanding of the major requirements (attributes¹, etc.) for each segment.
- Targeting of major segments considering *external* factors, notably, who are the major *competitors* in that market, and *internal* factors, what are the current resources and capabilities of the sector to meet market requirements of segments in relation to external competitors. If current capacities fall short, note any major deficits, challenges, or opportunities.
- Positioning of domestic industries in targeted market segments and an articulation of a competitive advantage through a positioning statement² for each segment that highlights which advantages are *valuable*³, *unique*⁴, and *inimitable*⁵.
- In addition to competitiveness criteria noted above, highlight if market segments are vulnerable to shocks (i.e., trade barriers, demand swings, etc.) or long-term stressors

¹ A product attribute is a characteristic that defines a particular product and will affect a consumer's purchase decision. Product attributes can be tangible (or physical in nature) or intangible (or not physical in nature). Examples of tangible attributes are product characteristics, such as size, color, weight, volume, smell, taste, touch, quantity, composition, uniformity. Intangible attributes may include characteristics such as price, quality, reliability, beauty/aesthetics. It is expected that each sector is comprised of multiple market segments, each characterized by distinct product attributes and customers.

² The Positioning Statement is a concise description of your target market as well as a compelling picture of how you want that market to perceive your product or brand. Positioning statements are internal tools that helps guide decision-making, focus on the product's core value proposition, and inform marketing decisions.

³ A resource or capability is said to be valuable if it allows the firm (or country) to exploit opportunities or negate threats in the environment. If a resource does not allow a firm (or country) to minimize threats or exploit opportunities, it does not enhance the competitive position of the firm. More on VIRO analysis [here](#).

⁴ A resource is unique, or rare, simply if it is not widely possessed by other competitors. More on VIRO analysis [here](#).

⁵ An inimitable resource is difficult to imitate or to create ready substitutes for. A resource is inimitable and non-substitutable if it is difficult for another firm (or country) to acquire it or to substitute something else in its place. A valuable and rare resource or capability will grant a competitive advantage as long as other firms (or countries) do not gain subsequent possession of the resource or a close substitute. More on VIRO analysis [here](#).

(i.e., becoming commodity market, is being replaced by other products or services, climate change, etc.) and if they offer some opportunity for *inclusive* participation that benefits women and youth.

The key outcomes of the EMA include starting to draw the boundaries of the market system that our project will focus on, helping advise partners on end marketing and upgrading strategies, differentiating sectors into sub-sectors, and prioritizing based on the private sector’s ability to compete in segments which offer value-added opportunities, are less prone to risks, and offer inclusive potential for market actors, especially women and youth.

Table 1: Segment-Target-Position: Learning questions, Approaches, and Summary Outputs.

Learning Questions	General Approach to Answer Questions	Summary Outputs
<p>1. Market segmentation</p> <p><i>Learning question:</i> What are the major market segments and defining characteristics or attribute demands of customers within those segments?</p>	<ul style="list-style-type: none"> • Secondary research and industry expert consultations • ‘Pause and reflect’ #1 to share initial segmentation with project team • Link to Subject-Matter-Expert Meetings 	<ol style="list-style-type: none"> 1. Identify <u>major market segments of the sector</u>, domestic and international. Market segments should be broad – not defined around specific products, services or even channels – but rather around major differentiations in terms of attribute demands. For example, a market segment in agriculture may include (i) fresh, certified produce for export or domestic supermarkets or (ii) processed and packaged foods, etc. 2. Segments should include a description of the type of <u>end-market buyers</u>, or customers, that constitutes a segment. 3. Identify and describe the <u>major defining attributes</u> that characterize and differentiate each market segment. Attributes may be defined, for instance, by price, quality, or differentiation. 4. Attributes should be mapped to segments according to their relevance to the customer (high, medium or low). 5. Specify if market segments offer <u>value-added opportunities</u> – i.e., some price-premium, channel or advantage that regular, commodity markets would not. 6. Identify for each market segment, any <u>major risks/vulnerabilities</u>. 7. Identify each market segment’s <u>potential for inclusive development</u>, defined as opportunities for segments to grow in the labor force (increased number of jobs for women/youth) as well as generate higher-skilled employment opportunities (improved quality of jobs for women/youth). For example, identify the extent to which women/youth participate in the sector and segments, identify where jobs for women/youth are located along the VC, and estimate the increase in women/youth jobs from VC growth as well as if/how job quality will change

Learning Questions	General Approach to Answer Questions	Summary Outputs
		<p>from VC growth (scale) and upgrading potential (types of jobs needed).</p> <p><i>Output review: At the conclusion of market segmentation, major market segments have been identified and each segment is defined by the characteristics or attribute demands of customers in that segment. These are the key benefits to the customer. The minimum price, quality, differentiation, value-added opportunities, risks/vulnerabilities, and potential for inclusive development are clearly articulated and supported with market research and data for each segment.</i></p>
<p>2. Market targeting</p> <p><i>Learning question:</i> What are the productive capabilities of (the country) that are relevant to reaching this target market?</p>	<ul style="list-style-type: none"> • Secondary research and industry expert consultations • ‘Pause and reflect’ #2 to share initial targeting and positioning with the project team • Link to subject matter expert meetings 	<ol style="list-style-type: none"> 1. Evaluate the <u>ability</u> of the sector to supply to the different market segments both domestic and international. Include the productive resources, and other resources/capacities, that are rare/unique and necessary for competitive advantage. Include details on the specific productive configuration or other capabilities that make the segment able to realize its value proposition with the resources it has. 2. Identify, based on limited analysis, any potential barriers/shortfalls for segments. 3. List out the major <u>competitors</u> in each market segment, and based on information available, compare/benchmark the sector’s performance versus other competitors. Identify the rare/unique abilities/attributes of the sector or country relative to its competitors that may make it difficult for other countries to imitate/compete. 4. Define current and perceived potential and investment needs for each segment (based on interviews with industry experts). 5. Define why each segment should (or should not) be pursued. Consider using a <u>growth-share matrix</u>. 6. Define each segment in terms of competitive advantage (very weak, somewhat weak, similar, somewhat strong, very strong)⁶. 7. <u>Rank and order</u> market segments based on the country’s ability to compete in each segment. Consider the

⁶ Criteria definitions are as follows: VERY WEAK: Most competitors are perceived as clearly superior in addressing the benefits/demands of this market segment. SOMEWHAT WEAK: Customers may judge one or more competitors as somewhat better in addressing the benefits/demands of this market segment. SIMILAR: Most competitors are perceived as about the same in addressing the benefits/demands of this market segment. SOMEWHAT STRONG: Most customers would judge us as somewhat superior to competition with respect to addressing the benefits/demands of this market segment. VERY STRONG: We are perceived by most customers as clearly superior in addressing the benefits/demands of this market segment.

Learning Questions	General Approach to Answer Questions	Summary Outputs
		<p>following criteria for segment ranking, mostly collected in earlier steps: market size, market growth, market volatility, competitive intensity, competitive advantage, strategic fit (part of government’s development strategy), synergy or cross-over from existing/other segment, barriers to entry, other barriers.</p> <p>8. Develop a value chain map in PowerPoint (1 slide)</p> <p><i>Output review: At the conclusion of market targeting, each major segment emerging from market segmentation is further explored. Each segment is assessed for productive capabilities, barriers to growth, and top competitors. Segments are ranked according to their ability to compete. By the end of market targeting, expand on the value proposition from market segmentation by clearly defining what makes the segment unique and inimitable.</i></p> <p>Option: If the researcher or member of the research team has expertise in access to finance, add the following to this section, following #11, and require additional supply-side interviews with financial service providers in the SOW: Define (and quantify in terms of order of magnitude, if possible, based on interviews with industry experts) current and potential sources of the types of capital (working capital and trade finance vs. investment/fixed asset/growth capital) needed to support the investment needs identified in the previous step. Be sure to consider national and international sources, as well as different institutional sources (e.g. banks and financial institutions; corporate or value chain finance; investment funds), and include potential sources as well as current ones, if appropriate.</p> <p>Option: In the case that firm-level analysis is desired, consider following the Business Model Canvas, an extremely fluid concept broken down into nine key building blocks: customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partners, cost. Additional guidance online here.</p>
<p>3. Market positioning</p> <p><i>Learning question:</i> In what target segments could (the country) position itself to drive more competitive,</p>	<ul style="list-style-type: none"> • Secondary research and industry expert consultations • ‘Pause and reflect’ #2 to share initial targeting and positioning with the project team 	<p>1. For the selected market segment(s) of each sector, articulate a <u>positioning statement</u> that highlights the country’s competitive advantage – this should consider an evaluation of the country’s current and potential advantage (resources) that are valuable, unique, and inimitable that matches to the targeted segment, such as: <i>For (target segment), the (country) provides (the key</i></p>

Learning Questions	General Approach to Answer Questions	Summary Outputs
inclusive, and resilient results?	<ul style="list-style-type: none"> • Link to Subject-Matter-Expert Meetings 	<p><i>benefits) because (reasons why)</i>. Include how resilience and inclusion factor into positioning.</p> <ol style="list-style-type: none"> 2. Identify areas for <u>subsequent primary data collection</u> that would augment the understanding of this market position. 3. Provide a <u>scenario for second and third-choice market positions</u> and conditions which may impact the targeting selection – this may include shifting consumer trends, ability to generate productive know-how, or other factors/assumptions which laid behind the original targeting/positioning strategy. <p>Option: In the case that firm-level analysis is desired, consider following the Buyer Benchmarking Approach, defined in Annex 1.</p>

4. RESEARCH TEAM

Considerations for team composition include:

- What mix of skills and expertise are required to undertake the work?
- Considering any cross-cutting content, should it be covered as its own independent workstream or incorporated into the work of each of the researchers? In other words, is it better to divide the research team by sector or by the type of data collected (e.g., trade, gender, etc.)? For Zambia EDGE, it was determined to be too difficult to find an EMA expert with sufficient inclusion expertise, so a separate GYSI study was conducted to investigate the expected benefits of increased participation of women and youth (e.g. job quality).
- Who from the home office or the country office will participate and manage the research?
- Who will take the lead on scheduling initial interviews and how will communications and scheduling be organized and tracked?
- Are the right partners involved in the EMA to ensure it is robust and rigorous?
- What, if any, approaches or tools are necessary to broaden participation in the process?
- Is there a clear owner/champion within the project with responsibility for moving forward the implications?

Example content for this section: The assessment team will include professionals with expertise in conducting market research, end market analysis, and a relevant understanding of the sectors to be analyzed. It will be led by a research manager, the [Insert title]. The project will contract [insert whether it is local research firm(s)/expert(s) or internal resources if they are deemed to be sufficient and available], consisting of collection and review of secondary market data, analyses, and briefs. Additionally, the research team will consult with at least five to eight

industry experts for each sector. The expected LOE for contracted research services varies but is typically about eight days LOE for each sector.

The following LOE example for the Research Team assumes the analysis of five sectors over a three-week timeframe:

Table 2. Research Team Roles and Associated LOE

ROLE	REQUIRED OR OPTIONAL?	NUMBER OF PEOPLE	FIELD LOE (PRIMARY RESEARCH)	PREP/ REPORTING LOE
Research Manager*	Required	1	Part-time	7
Coordinator**	Required	1	Part-time	4
Researcher**	Required	5***	Full time	40

* Project or TLA staff

**These roles may be filled by project or TLA staff or as contracted services

***If the timeline is extended, fewer researchers could cover multiple sectors

5. DATA COLLECTION

Include the following content in this section, adjusting it as required to fit the project’s specific needs and expectations:

EMA in this scope of work will primarily utilize secondary research and industry expert consultations.

Literature Review and Secondary Data Collection: This will include trade data collected from online trade and production databases, such as ITC TradeMap, U.N. ComTrade, and FAO Stat, available market research and studies, and GYSI/environment/regulatory segmented market research, including but not limited to published gender analysis, political economy reports, government policies or development plans, and climate change studies. Other economic and demographic data sources include the World Bank Development Indicators, World Bank Doing Business Indicators, Women’s Empowerment in Agriculture Index, national household surveys, USAID strategy reports, among others. The researchers will develop a comprehensive list of literature and secondary sources for review by the project.

Industry Expert Interviews: Semi-structured industry expert interviews will complement secondary analysis. The research firm should provide a list of industry experts and hold a meeting with the research manager to discuss best practices for engaging with local actors, such as how to represent the project, how to build buy-in and goodwill through their participation in project design, limiting meeting time to be respectful to interviewees, and communicating that their time and input is valued, among other topics. Consideration for stakeholder selection may include the location of their business, gender, age, or other socioeconomic profile of interest, size of business, role in the sector (e.g., producer, aggregator, processor, exporter, non-value chain actors including banks and financial service providers,

etc.), and/or category of market actor (e.g., government, CSO, private sector, etc.). It is critical to obtain input from relevant major buyers along the supply chain and get the input of market actors into segment prioritization. Interview guides will vary depending on the research gaps needed to be covered during the interviews, so the researcher should develop custom guides for each interview to ensure all required data is collected and validated. The project may provide inputs into the selection of industry experts to participate in this analysis and the interview guide. The researchers should provide detailed notes of each interview, in addition to synthesizing these responses with secondary research in the final report.

Utilizing secondary research and KIIs, researchers will complete the draft report and final report following the final report template in Annex 2.

6. WORK PLAN

Considerations for work plan development:

1. Align the work plan with the payment schedule, depending on the contract mechanism used (e.g., LOE-based vs deliverables-based). Considering the short timeline and nature of the analysis, consider a deliverables-based contract with most or all the payment contingent on the acceptance of deliverable #6 (D6) below.
2. Add a description of acceptance criteria for each activity/deliverable, according to your needs and the contract mechanism used. Consider whether the consultant will need to deliver findings orally to the team, USAID, public webinar, etc., and add to the activity list accordingly. Determine who will approve the deliverable(s) for payment.

Illustrative plan for the researcher role, considering a three-week timeframe between kick-off and submission of the draft report:

Table 3. Work Plan and Deliverables Schedule

Activity/Deliverable	Person(s) responsible	Due Date
Kick-off meeting	All, research manager leads	<i>[enter date]</i>
Conduct secondary research/end market analysis	Researchers	<i>Carried out over a period of +/- 3 weeks from kick-off</i>
D1. Deliver market segmentation section of report	Researchers	<i>+/- 1 week from kick-off</i>
D2. Submit a list of industry experts to interview	Researchers	<i>Same deliverable date as D1</i>
Attend Pause & Reflect #1 - Share sector findings on market segmentation section and review list of industry experts to interview	All, researchers lead	<i>Same deliverable date as D1</i>

Activity/Deliverable	Person(s) responsible	Due Date
D3. Deliver market targeting and positioning sections of the report	Researchers	<i>+/- 2 weeks from kick-off</i>
Attend Pause & Reflect #2 – Share sector findings on market targeting and positioning sections along with revisions to market segmentation since last P&R	All, researchers lead	<i>Same deliverable date as D3</i>
Schedule KIIs	Coordinator	<i>Carried out over a period of +/- 3 weeks according to needs of Researchers</i>
D4. Interview notes from KIIs drafted and delivered	Researchers	<i>+/- 3 weeks from kick-off</i>
D5. Draft report submitted to research manager, including VC map(s)	Researchers	<i>Same deliverable date as D4</i>
Feedback on the draft report sent to researchers	Research manager	<i>+7 days after D5 is received</i>
D6. Final report submitted to research manager	Researchers	<i>+3-5 days after feedback was provided on draft report</i>
Present findings to the team	Researchers	<i>Same day as D6</i>

Illustrative content to describe quality requirements for deliverables:

Each deliverable listed in Table 3 will be reviewed and signed off on by the research manager. Payment will be authorized after it has been confirmed that each deliverable has been completed and delivered to the research manager and meets or exceeds all technical specifications and fulfillment of project requirements for each activity or deliverable.

1. BUYER BENCHMARKING – Completed for each sector

To assess competitiveness at the firm level, conduct buyer interviews to benchmark domestic-market firms with inclusive employment/growth opportunities that project regions have the potential to access against major competitors. Synthesize into a spider diagram and short write-up characterizing relevant strengths and weaknesses (i.e., intervention opportunity areas) and project-relevant entities. Add additional LOE, interviews, and practical guidance to the SOW as needed.

There are many methodologies for competitor analysis, with the spider diagram being one of the most used. Learn more about spider diagrams here and on Marketlinks.

2. REPORT TEMPLATE

The following report template corresponds with the SOW template provided earlier in this EMA Toolkit.

End Market Analysis

Sector: (Aquaculture, Livestock, Etc.)

Overview

Provide an overview of the sector in a few paragraphs, including how it aligns with project goals and priorities.

1 | Market Segmentation

- *Identify major market segments, including domestic, regional, and international.*
- *Quantify production, consumption, import, and export at the sector and segment levels. Provide quantitative data, noting seasonality opportunities or constraints.*
- *Write a description of end market buyers, or customers, that constitute each segment.*
- *Identify and describe the major defining attributes that characterize and differentiate each market segment. Attributes may be defined, for instance, by price, quality, or differentiation. Map relevant attributes to segments according to their relevance to the customer (low, medium, or high).*
- *Specify if market segments offer value-added opportunities.*
- *Identify for each market segment, any major risks/vulnerabilities.*
- *Identify each market segment's potential for inclusive development (low, medium, or high), defined as opportunities for segments to grow in the labor force (increased number of jobs for women/youth) as well as generate higher-skilled employment opportunities (improved quality of jobs for women/youth). For example, identify the extent to which women/youth participate in the sector and segments, identify where jobs for women/youth are located along the VC, and estimate the increase in*

women/youth jobs from VC growth as well as if/how job quality will change from VC growth (scale) and upgrading potential (types of jobs needed).

Summarize the above findings in table format:

Market Segment	Defining Attributes	Attribute Scoring (Low, Medium, High)	End Market Buyers	Inclusive Development Potential (Low, Medium, High)

2 | Market Targeting

- Evaluate the ability of the country to supply to the different market segments. Include the productive resources, and other resources/capacities, that are rare/unique and necessary for competitive advantage. Include details on the specific productive configuration or other capabilities that make the segment able to realize its value proposition with the resources it has.
- Identify, based on limited analysis, any potential barriers to entry and major risks/vulnerabilities for segments.
- Define current and perceived investment needs for each segment (based on interviews with industry experts). Rank needs (low, medium, or high).
- List out the major competitors in each market segment and, based on information available, compare/benchmark the country’s performance versus other competitors. Identify the rare/unique abilities/attributes of the country relative to its competitors that make it difficult for other countries to imitate/compete.
- Define each segment in terms of competitive advantage. Rank each segment (very weak, somewhat weak, similar, somewhat strong, very strong)⁷.

⁷ Criteria definitions are as follows: VERY WEAK: Most competitors are perceived as clearly superior in addressing the benefits/demands of this market segment. SOMEWHAT WEAK: Customers may judge one or more competitors as somewhat better in addressing the benefits/demands of this market segment. SIMILAR: Most competitors are perceived as about the same in addressing the benefits/demands of this market segment. SOMEWHAT STRONG: Most customers would judge us as somewhat superior to competition with respect to addressing the benefits/demands of this market segment. VERY STRONG: We are perceived by most customers as clearly superior in addressing the benefits/demands of this market segment.

- Define why each segment should (or should not) be pursued. Consider informing this decision using a growth-share matrix to obtain relative growth rate (segment attractiveness) and market share (segment competitiveness) for each segment⁸.
- Rank and order market segments based on the country's ability to compete in each segment. Consider the following criteria for segment ranking, mostly collected in earlier steps: market size, market growth, market volatility, competitive intensity, competitive advantage, strategic fit (e.g., is it part of the government's development strategy?), synergy or cross-over from existing/other segment, barriers to entry, other barriers (e.g., investment constraints).
- Develop a value chain map in PPT (1 slide) as a separate file.

Summarize the above findings in table format:

Market Segment	Rare/Unique Resources/Capabilities Available	Major Barriers/Vulnerabilities	Investment Needs (Low, Medium, High)	Major Competitors	Competitive Advantage (Very Weak, Somewhat Weak, Similar, Somewhat Strong, Very Strong)	Pursue (Yes/No)

3 | Market Positioning

- For the selected market segment(s) for each sector, articulate a positioning statement that highlights the country's competitive advantage – this should consider an evaluation of the country's current and potential advantage (resources) that are valuable, unique, and inimitable that matches to the targeted segment, such as: for (target segment), the (country) provides (the key benefits) because (reasons why). Include how resilience and inclusion factor into positioning.
- Identify areas for subsequent primary data collection that would augment the understanding of this market position.
- Provide a scenario for second and third-choice market positions and conditions which may impact the targeting selection – this may include shifting consumer trends, ability to

⁸ Each of the four quadrants of the matrix represents a specific combination of relative market share and growth: (1) High Growth, High Share – Project should invest in these segments with high future potential. (2) Low Growth, High Share – Project should consider some level of investment in these slower moving segments. (3) High Growth, Low Share - Project should invest in or discard these segments, depending on their chances of becoming High Share. (4) Low Share, Low Growth - Project should not pursue the segment.

generate productive know-how, or other factors/assumptions which laid behind the original targeting/positioning strategy. Include how resilience and inclusion factor into positioning.

- *Identify areas for subsequent primary data collection that would augment the understanding of this sector.*

Summarize the above findings in table format:

Market Segment	Positioning Statement

4 | Key Takeaways

List key takeaways.

5 | Industry Expert Interviews - Summary

List the following high-level information for each stakeholder interviewed: name, contact information, company name, services/goods provided, role in VC, location, VCs supported.

6 | Buyer Benchmarking Write-Up and Spider Diagram

7 | Secondary Research Citations

Utilize endnotes to cite sources. Follow Chicago formatting.

8 | Industry Expert Interview Notes - Detail

For each stakeholder interview, provide complete interview notes in separate Word documents.

In each document, include:

- *Summary information i.e. date, name, contact information, company name, services/goods provided, role in VC, location, VCs supported, referral name (if any), additional attendee information.*
- *Interview notes in bullets*
- *Key takeaways and referrals*