

Handicraft businesses in Nigeria: challenges facing promotion of products

Eyo Uduak Enobong¹, Samuel Effiong Affia²

¹Department of Business Administration, Akwa Ibom State Polytechnic, Nigeria, PMB 1200, Ikot Ekepenne, Nigeria

Email: Uduakforchrist3@gmail.com, Phone Number: [+234\(0\)8023275478](tel:+234(0)8023275478)

²Department of Business Administration, Akwa Ibom State Polytechnic, Nigeria, PMB 1200, Ikot Ekepenne, Nigeria

Email: samuellaaffia2@gmail.com

Correspondent author: Uduakforchrist3@gmail.com

Abstract: A review of relevant literatures revealed that there is more closure of small handicraft businesses in Nigeria than their birth as a result of low patronage and poor promotion strategies by craft persons in the industry, very little empirical research have been done, up to date, to reveal the actual causes of this phenomenon. In an attempt to fill the gap in the literature, therefore, this paper seeks to explain the characteristics and challenges facing handicraft business promotion in Nigeria. And proffer solution to promoting handicraft businesses in Nigeria.

Keywords: Handicraft; Businesses; Promotion; Products Etc.

Introduction

Small and medium-sized enterprises, particularly handicraft manufacturing, are a major form of business and constitute an important part of export economy in every country. Observers in the handicraft sector expect that the growing number of small businesses turning to manufacturing is unlikely to decline significantly in the future. In many regions of the world including Nigeria, artisans have been identified as the second largest sector of rural employment after agriculture (Rutashobya and Jaensson, 2004). Small industries such as handicrafts were not

spared from the effects of the severe economic problems facing Nigeria. Nearly all inputs present a problem: professional manpower, capital, raw materials, machineries/spare parts and knowledge often. Given the sky-rocketing cost of living, people's purchasing power has declined, creating market problems for all industries including small and medium-sized enterprises. The several rules and regulations placed on private companies have often prevented small and medium-sized businesses from achieving their full potential over the last decades.

Handcraft activities of small and medium-sized enterprises result in poor competitiveness in the sense that it is not possible to buy bulk of the required raw materials at adequate prices. In addition, the owner of the business is often monopoly of labour skills, Ajibade, Issa, and Mordi (2014) instead of a number of employees specialized in certain production steps Okeke, Ezenwafor, and Fem Iwole (2013). In addition, manufacturing methods and techniques are often obsolete and result in higher costs and lower quality products of output Ahmed (2006). The aforementioned factors will force the entrepreneur to appear indifferent to market dictates, being more strongly influenced by culture and environment. SMEs are noted for manufacturing goods according to the desires, skills and expectations of the entrepreneurs, rather than in response to consumer demands.

Among the developing countries, Nigeria is committed to the growth of the private sector, in which small businesses such as handicrafts are part of the contribution ratio to national GDP. Continued development and expansion of the handicraft industries into international markets is a desirable prospect for craftsmen and their countries. The expansion of handicraft villages is in the interest of the Nigerian government as a method of economic growth, as well as part of creating avenue of jobs for the large population of the country. The industry's main players include the craftsmen and craft workers (producers), handicraft exporting firms (marketers) and government (support systems). All contributors will work together to make the handicraft industry a success. The UNESCO Conference of 2000 stated that although handicraft has been a pillar of the economy of many African countries by both providing employment and generating foreign currency. Regrettably, craftsmanship is obviously poorly promoted; craftsmen are poorly trained and face financial constraints. The overwhelming impression is that the association of crafts and craftsmen typically feels marginalized, under-funded, under-promoted and undervalued (UNESCO, 2000).

In particular, handicraft industries in developing countries such as Nigeria face numerous challenges, e.g. lack of promotional strategies leading to low market share. In comparison with other East African countries such as Uganda, where the Uganda Export Promotion Board has been in place since 2004, this brings the sector to its knees, and the handicraft sector stakeholders are developing an export strategy for handicrafts in Uganda. The formulation of the strategy was supported jointly by the joint Integrated Technical Assistance Program through International Trade Centre (Uganda Handicraft Export Strategy, 2005). On this basis, it can be noted that small-scale manufacturers of handicrafts often lack adequate promotional experience or support structures, especially for export, and therefore there is a great need for Nigeria to carry out the study that would ultimately facilitate knowledge for stakeholders on challenge faced by handicrafts, business owners.

Overview of Nigerian Handicraft Business

Handicraft are those items produced by craftsmen, mostly by hand or with the help of hand tools and often by mechanical means as long as the artisan's direct manual contribution remains the most significant component of the finished product (UNESCO, 1997). Their unique character stems from their distinctive characteristics, which can be utilitarian, architectural, artistic, imaginative, culturally connected, decorative, practical, conventional and socially symbolic and significant. They are made of raw materials that are produced sustainably and there is no particular limit in terms of the quantity of production. Even when artisans make the design in quantities, no two pieces are ever exactly the same.

In GEMET's (2012) terms, handicraft enterprise is the occupation, commercial enterprise or trade that involves the production and distribution of articles made through the skilled use of one's hands. Collins English Dictionary 5th Edition published in 2000 described the business of handicraft as a particular skill or art performed with the hands, such as weaving, pottery etc. It also identified that the business of handicrafts can be defined as skill or dexterity in hand work.

Promoting Nigerian Businesses in the Handicraft Sector

The American Marketing Association (AMA) describes business promotion as "media and non-media marketing pressure exerted over a fixed, time-limited period in order to promote advertising, increase customer demand, or boost product quality." But this definition does not encompass all elements of current sales promotion.

Businesses can target sales promotions at three different audiences, including consumers, resellers and the company's own sales force. Sales promotion acts as a competitive weapon by providing an extra incentive for target audiences to buy or support one brand over another. It is particularly effective in spurring product testing and unplanned purchases.

Types of Promotional Sales

In essence, sales promotions are divided into three according to the initiator and the promotion's goal.

Promotions for customers

Retailer promotions are promotions offered to consumers by retailers, including allowances and discounts, factory-sponsored demonstration in-store, trade shows, sales contests, cooperative advertising etc.

Goods for exchange

Trade promotions are promotions offered by manufacturers to retailers or other commercial entities (Blattberg and Neslin, 2000) and are the aspect in which the manufacturer is concerned not only with promoting the product to consumers but also with whether the product is on the retailers' shelves when the customers go to the shop to buy (Osuala, 2008).

Sales Promotion Techniques/Strategies

Discount

Discount offers on the products are the most common sales promotion technique. The simplest and most frequently used sales promotion technique to persuade customers is to add discount to the product. The important aspects that should be considered when using this technique would be that the discount is attractive to customers.

Vouchers

Vouchers are also frequent sales promotion techniques as discounts commonly used to motivate customers to purchase. Coupons would push customers to purchase the product when they think the price is high or may be an incentive to purchase the product above competitors. Price-sensitive customers would be willing to purchase the product with coupon availability.

Sample

The sampling is the way to introduce customers to the new product by providing the products free of charge. Through this approach, potential buyers are targeted and not only bring the product into the market but also build product awareness. Its huge cost to the company, but it seems to have a strong consumer effect and to be effective in having the brand loyal customers for the product.

Refunds or Remittances

Refund and rebates are not too popular in all countries but it is very popular with the country like the United States. In marketing tactics such as refund, customers get excited about the portion of refund they can get on purchase with the parking tickets or the feedback they provide about the store online. Such forms of advertising practices are undertaken to catch the consumers' interest and to offer over the rivals the same form of goods to the buyers.

Contest

Contests and sweepstakes are simple as winning the gifts that attract and motivate customers to go to the product. It is mostly useful for collecting customer information and raising awareness about the new product or the new location to get the products.

Offer Prices

The advertising strategies are the price reduction of the goods being advertised so the consumer saves money on purchase. The price drop can be used to draw consumer focus away from the rivals. The consumers are still in pursuit of premium goods at lower price so that sales can increase the promotional activity of discount off offers.

Exchange Offers

The deals for exchange are associated for occasions such as Dashain, Christmas. This technique is popular throughout the world and is mainly used during the festive season when old products are exchanged for new products and customers can receive discounts based on valuation of old products.

Points of Loyalty

Customers are still fond of the sellers' personal attention. The loyalty points in such a context would be the marketing tactics to retain the loyal customers for lifetime. The customers rewarded with the loyalty points giving them points whenever they make a purchase and use those

points in future purchase for the money off. This is a popular promotion system that will induce customers to make the next purchase for future purchase reward.

Bundling

The combination of items on sale that are sold for one product is bundling for sale price. For example, having one shirt free on a shirt purchase would be a bundling that would make the customers more likely to buy. This is also popular during the festive season and there is a high volume of sales which can be the strategy against the competitor.

Support

The product requiring high resource (money) would be promoted if the vendor would provide the customers with the financing options facility itself. This method of promotion is common in high-priced varieties of products such as cars, home appliances, and electronic devices.

Gifts

The brilliant idea of marketing, when offered as a gift, everybody loves free stuff, and even better. The gift to the customers gives the customers the opportunity to test the products and, meanwhile, make the customer aware of the product. Customer would appreciate such action and heighten product sales. The buyers will be enthusiastic about the promised gift by purchasing items that would boost sales with the excitement of having something free.

Bonus Package

With the regular pack size bought, the bonus pack gets additional quantity of the same product being sold. The bonus pack would be offered to the customers purchasing huge quantities than the regular size. This promotional practice would be used as a high-sales tactic and would inspire the customers to purchase more.

Free Trail

The free trail is also the method of sales promotion which introduces customers to the latest product in the market where they get to learn about the product before buying it. Free trail strategy, which is much more popular for software sales, computer programs, apps. These are the goods which can be used free of charge for the time being and which must be paid later for further use. That would persuade the customers to buy for future use.

Challenges of Handcraft in Developing Country

Rutashobya and Jaensson (2004), several funding agencies and foreign NGOs have engaged in various phases of artisan craft production process. They have identified a number of issues that hinder sound development in a wide range of possible areas for technical cooperation. These are, for example, Lack of Visions for Traditional Promotion and Preservation Skills; Lack of Technical Knowledge for Advancement of Traditional Values; Lack of Support Facilities Focusing on Craftsperson Human Resources Development; Low Quality Products; Lack of Cooperation among Craft Producers; Low/Poor Managerial Capability; Poor of Awareness for Traditional Values and Future Potential etc. While recognizing these problems, donor agencies' areas of intervention may be based on the following three main pillars: (i) Policy Framework for the Promotion and Preservation of handicrafts; (ii) Institutional capacity building to implement support programs and activities; and (iii) Strengthening the managerial and manufacturing capacity of handicrafts manufacturers and improving the capacity of crafts manufacturers. These perceived challenges are explain thus:

Lack of Visions for Traditional Promotion and Preservation Skills

In the cycle of globalization and the introduction of the free trade policy, most traditional crafts have lost their identity and this important quality has begun to be ignored by the export market demand. The true value of traditional crafts was replaced by modern handicrafts, adapted according to cost effectiveness and for changes in consumer demand. The market force driven by demand is immense and most developed countries do not seem to have any strong countermeasures for this influential global market phenomenon. While many governments recognize the consequential impact they are failing to formulate clear visions for future development. They do not seem to understand the value of maintaining traditional crafts "working," that is, maintaining traditional skills supported by adequate demand and responding to development. Often there is no clear definition of traditional crafts differentiating them from innovative handicrafts. This in effect makes it difficult to determine the eligibility of traditional craft producers to obtain subsidies from the government for keeping traditional crafts "working".

Lack of Technical Knowledge for Advancement of Traditional Values

The traditional traditions preserved in traditional crafts are considered intangible assets by the foreign markets. Decision-makers in developing countries rarely recognize this development potential, and hence traditional promotion of craft. They often formulate the related strategies for regional development without taking that aspect into account. The effectiveness of this traditional asset is amplified by combining the development effort with the idea of preserving the true cultural heritage, i.e archeological monuments, lifestyles of minority tribes including their traditional clothes and crafts, processed food, and building materials. Moreover, many developing countries are unaware that this traditional cultural asset can offer a complementary component of tourism development. Consequently, an idea emerges rarely, for example, to establish a traditional architecturally designed tourist facility in a scenic area, to copy an old farmer's house and to demonstrate traditional craft production.

Lack of Support Facilities Focusing on Craftsperson Human Resources Development

Specific requirements for technical improvement have common denominators among various craftsmen. For example, a proper drying method could improve the quality of the raw materials of innovative handicrafts based on wood and bamboo and all forms of craftsmanship could enjoy improved design. Nonetheless, very limited efforts have been made by the relevant government authorities to resolve common technical problems shared by different artisan craft producers. There are very few integrated Research and Development (R&D) and training facilities serving the various groups to enhance the quality of their products.

Low Quality Products and Services

Artisan crafts' producers in developing countries sell their products in the export markets. The quality, however, is often not at an acceptable level to be exported on a large quantity basis, although they may be attractive for tourists. Furthermore, the production process developed in the country of origin is adapted to domestic climate conditions. Products exported to foreign countries often do not meet the respective conditions. For instance, wood and bamboo-based crafts using lacquer often experience quality problems, e.g., cracking defects stemming from the change of humidity in the foreign markets. The installation of a proper dryer in the production process may easily solve this type of problem. However, a very few governments try to identify technical

problems and the appropriate remedies in an organized manner. Furthermore, most craft producers lack a focus on design improvements, quality inspection systems and checking suitability of production facilities. They tend to be conservative towards the adoption of new technology, which could enable them to produce the same products with more efficiency and higher quality. The general lack of awareness of the importance of quality is a great weakness of the craft producers.

Lack of Cooperation among Craft Producers

One of the fundamental problems facing artisan craft development is exclusivity toward or individualism from other communities and even within the same communities. The problem becomes eminent in the area of product quality improvement and joint marketing efforts. Generally speaking, this tendency becomes stronger among traditional craft producers. They tend not to disclose their knowledge nor accept the concept of improving their own competitiveness in a cooperative manner.

Low/Poor Managerial Capability

Craft producers are mainly engaged in production and are historically not competent in managerial tasks such as sales promotion, market information gathering, inventory control, work space management. This shortcoming is a standing obstacle for promotion of artisan crafts. Due to their prevailing isolation from urban business activities, they have limited access to BDS providers. Even if they are available, there is a big gap between the needs identified for managerial services and actual willingness to pay for the services. In most of the cases, the financial position of craft producers is too weak to hire these services. They also have limited exposure to the international business practice and seldom maintain a direct business contact with international retailers. Therefore, they are not aware that a new international business linkage often offers learning practices where craft producers can acquire common innovative management methodologies.

Poor of Awareness for Traditional Values and Future Potential

Craft producers are often not fully aware of large potential export markets, which could accommodate the ethnic nature of their products. Among local traditional craft producers, there is not little insight into which of their products would be the most worthy items for export, nor is there a clear concept of the product design improvement required. Furthermore, their capacity to realize their potential capacity of production to meet foreign market needs is limited. This is mainly

attributable to their lack of contacts in the export markets. As one of the consequences, they simplify the production process and use cheap materials mechanically and chemically processed. As one of the consequences, they simplify the production process and use cheap mechanically and chemically processed materials. The markets accordingly begin to devalue these crafts and put them into a category of cheap miscellaneous crafts for daily use.

Push and Pull Theory for Small Business

Avera, (2004) identified that a small business owner, have to focus on what you have to offer that the big companies cannot offer. It can focus its strengths of you and your company and do not dwell on other things that you cannot do. In operation of small business, it can seem like everything around you is huge and threatening. There is a thought that the bigger companies in your arena will crush your entity and push you to the side. Inspiration can keep you going in the case of all odds instead of taking the easy way out and just giving up on your dreams. What you have to do it to innovate, find alternative ways of accomplishing your goals, and do not try to use the strategies and techniques that the large companies use. The answer may be to use a combination of the “push” and “pull” system of business. This means that you have to “push” sales to increase profits. Along with that, you need to “pull” clients, especially from the big companies, by winning them over with your commitment to quality and workmanship in your product. The way to “push” your sales is to give your product or service an edge over that the bigger companies have to offer. Since you are a small company you can offer a better price, better quality, or a higher standard of workmanship. You may not be able to compete with a large company when it comes to volume, but you can offer many things that a big company can not. You can add a personal touch to your product or service for each individual customer. The things that a small business can offer can pull clients to your operation and away from the large companies.

Being a small business, you have more worries when it comes to employees and labour costs. There are ways that you can keep labour costs under control, while still keeping the quality of your product or service at a high level. You can make effective use of a staff augmentation company. You can have your company staffed by one of these agencies, which can reduce production and labour costs.




Since these agencies do a good job at keeping skilled labour, you do not have to worry about your quality suffering. Using this type of agency will allow you to “push” profits while keeping your prices low and your quality high and this will “pull” clients to your business.

Conclusion and Recommendations

From the study results it can be concluded that promotion of handcraft businesses in Nigeria is based on personal selling; thus, marketing mix is lacking. There is sufficient awareness of the other promotion strategies, but skills and affordability are the hindrances. It can also be concluded that to the extent that personal selling strategy is applied, it is effective. The overdependence on personal selling has however resulted into low sales with huge piles of handcraft stocks, unemployment and eventually it may lead to the demise of the handcraft sector. Moreover, the sector faces a number of challenges, mainly arising from the lack of government and other stakeholders’ involvement, lack of training, lack of financial assistance, lack of assistance in promotion and others.

Recommendation

It is recommended that:

-  The government and especially the responsible ministry as well as related ministries should come together and formulate strategies which will support the sector to realize the sector’s fully potential as an economic sector like other countries are doing.
-  Training institutions should come up with curricula to impart skills and knowledge in the areas of craft development itself as well as in ICT focusing on how these technologies could help the handcraft businesses reach international markets. This way, the overdependence on personal selling will be mitigated.
-  Solidarity among the handcrafters is also important. Creation of associations with strong leadership will help in creating governance institutions.

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