

**CHALLENGES FACING HANDICRAFT BUSINESSES IN IMPLIMENTING  
PROMOTION STRATEGIES FOR THEIR PRODUCTS**

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**CERTIFICATION**

The undersigned certifies that he has read the dissertation entitled: **Challenges Facing Handicraft Businesses in Implementing Promotion Strategies for Their Products** and hereby recommend it for acceptance by the Open University of Tanzania.

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**Date:** .....

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I, **Rose Ignas Makyao** declares that this dissertation is my own original work and that it has not been submitted for a similar degree in any other university.

.....

Signature

Date:.....

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## ABSTRACT

The main objective of this study was to examine challenges faced by handicraft businesses in implementing product promotion strategies. It was specifically focused on strategies, effectiveness of the strategies and the challenges in implementing the promotion strategy. Descriptive approach was adopted that enabled researcher to apply various methods of data collection and analysis where questionnaires were used for data collection while tabulation and graphs were put into use for data analysis. Data were gathered at Makonde Handicraft Village which is located at Mwenge area, along Sam Nujoma road and Tingatinga Arts Cooperative Society, Oysterbay. The major findings showed that personal selling is the effective strategy and the other promotion strategies like newspapers, radio, billboards, television, magazine, public relations, email and internet use, personal selling and trade fairs are not commonly applicable. Government negligence, exploitation, lack of training, lack of financial support, lack of promotion assistance from stakeholders, tax related complaints, expensive working tools, inability to engage with ICT and lack of ownership to the working places were the most critical challenges facing these businesses. Other striking results include the finding that the handicraft sector is dominated by owners/operators with low education level and is also attracting extremely few youngsters, a threat to its future sustainability. The study recommends that the Government through its relevant ministries, departments and agencies should come forth with support or policies that would create an environment for all stakeholders, including financial institutions, training institutions, and NGOs, to lend a helping hand in promoting skills development in the area as well as the promotion of handicraft businesses and products.

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**LIST OF ACRONYMS AND ABBREVIATIONS**

BDS	Business Development Service
GEPS	Ghana Export Promotion Council
HRD	Human Resource Development
ICT	Information and Communication Technology
ITC	International Trade Centre
MNRT	Ministry of Natural Resources and Tourism
R & D	Research and Development
SSI	Small Scale Industry
TTB	Tanzania Tourism Board
TTC	Tanzania Tourism Corporation
USAID	United States Agency for International Development
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
URT	United Republic of Tanzania



## CHAPTER ONE

### 1.0 GENERAL INTRODUCTION

#### 1.1 Background to the Study

Small industries particularly handicraft production is a major form of employment and in every nations, it constitutes a significant part of their export economy. Observers in handicraft sector predict that the escalating number of small business turning to handicraft production is unlikely to decline significantly in the future. Artisans have been identified as the second largest sector of rural employment after agriculture in many regions of the world (Rutashobya and Jaenssson, 2004).

Small industries such as handicraft have not been spared from the effects of Tanzania's severe economic problems. Almost all inputs present a problem: skilled manpower, finance, raw materials, machinery/spare parts, and sometimes information. The long distances involved in distribution, prohibitive transport costs (due to extremely high prices for fuel and spare parts, and the very poor state of main roads), and difficult communications have led to ever-higher black-market prices. As the cost of living has sky-rocketed, the purchasing power of the people has declined, so creating market problems for all industry including Small Scale Industry (SSI) (Ibid).

To some extent the many rules and regulations imposed upon private entrepreneurs have also kept the SSI from reaching their full potential during the last decade. But the cautious liberalization which is underway at present will most likely contribute to betterment of the SSI situation. Some problems that face the small industrialists have to do with the industrialists themselves, most of whom are very inert to change.

Firstly, the small-scale of activities itself results in poor competitiveness in the sense that, for instance, bulk buying of required raw materials at appropriate prices is not possible. Secondly, labour skills are often centered on only one person, the owner, instead of a number of workers specializing in certain steps of production. Furthermore, production methods and techniques are often obsolete and result in higher costs and lower quality products. Finally, the entrepreneur appears indifferent to market dictates, being more strongly influenced by culture and environment. SSIs are noted for making products according to the entrepreneurs' wishes, skill and standards rather than in response to market wishes (Optimist).

Tanzania being among the developing countries is committed to develop the private sector in which small enterprises such as handicraft play an important part. Continued development of handicraft industries and expansion into international markets is a desirable prospect for handicraft artisans and their countries. The expansion of handicraft villages is in the interest of the Tanzanian government as a method of economic development, as well as a source of employment for the country's large population. Major players in the industry include the artisans and craft workers (producers), handicraft exporting companies (marketers) and the government (support system). For handicraft industry to be a success, these contributors must work together.

UNESCO Conference of 2000 addressed that although handicraft have been a pillar to many African countries economy by providing employment as well as generating foreign currency it is obviously poorly promoted, craftspeople are poorly trained and are facing financial constraints. The overwhelming impression is that the crafts



organization and craftsmen generally feel unsupported, under financed, under promoted and undervalued (UNESCO, 2000).

The survival and success of the handicraft businesses largely depend on the promotion strategies that enable the sellers to make the buyers be aware, attract and retain buyers for the crafts. Thus, with more effective promotion strategies, successful results are achieved and attractive financial earning is realized. Handicraft businesses are among businesses that are lagging behind by lack of proper promotion strategies to attract buyers. Promotion for handicraft is passive, sellers tend to rely on a word of mouth and then wait for buyers to come (Ibid).

Craftsmen in Tanzania are neglected aspect of tourism by non promotion. There is no formal direct link in existence between the handcrafters and the tourism industry which enable tourists arriving into the country visit or have at hand information or location or even pictures showing crafts available in our country; because a good quality handicraft taken home from an enjoyable holiday has continuing power to evoke wonderful memories and indeed arose the interest of others who see it and encourage them to visit the destination but poor linkage between tourism and handcrafts has not been fully explored, understood or developed, resulting into loss of valuable revenue and job creation opportunities (Kerenge, 2009).

## **1.2 Statement of the Problem**

Handicraft business in developing countries, Tanzania in particular faces different challenges. Tanzania lacks promotion strategies thus operating as operational marketing industry. This brings the sector to its knees in comparison to other East

African countries such as Uganda where since 2004 has Uganda Export Promotion Board and the Handicraft Sector Stakeholders are developing an export strategy for handicraft 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 handicraft producers often lack adequate promotion experience or support structures, particularly for export and hence there is a highly need for Tanzania to carry out the study that would eventually facilitate knowledge to stakeholders upon challenges facing handicraft business.

However, in Tanzania, the government, donor agencies and NGOs have engaged in various phases of artisan craft development process. They have identified several problems hindering the sound development in a wide range of possible technical cooperation areas. For example, there is lack of promotional and preservation policies, supporting institutions, low craft quality, inability of craft producers to access the opportunities to up-grade their managerial skills and to access business information, lack of capable craft development coordinators and designers.

While recognizing these problems, the areas of intervention by donor agencies can rest with the following three main pillars; policy framework formulation for artisan craft promotion and preservation, Institutional capacity building for implementing the support programs and activities and strengthening managerial and production capability of craft producing companies and improving technical skills of crafts persons (UNESCO, 2000). Even though the contribution of handicraft industry has little impact as a result of no full recognition. Perhaps the key challenges and

effective measure have not yet determined. Thus the new study expects to come up with the most key challenges facing handicraft business.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The general objective of the study was to examine challenges faced by handicraft businesses in Dar Es Salaam in implementing product promotion strategies.

#### **1.3.2 Specific objectives**

- i) To identify strategies for promoting product of handicraft businesses.
- ii) To assess the effectiveness of the strategies for promotion of handicraft businesses.
- iii) To identify the challenges in implementing the promotion strategy.

### **1.4 Research Questions**

#### **1.4.1 General Research Question**

The general research question was what are challenges faced handicraft businesses in promoting their products in Dar Es Salaam?

#### **1.4.2 Specific Research Questions**

- i. What are promotion strategies used by handicraft businesses?
- ii. How effective are they?
- iii. What are challenges faced by handicraft businesses in implementing promotion strategies?

### **1.5 Significance of the Research**

This study will facilitate society members in dealing with challenges facing handicraft promotion. Specifically, stakeholders of handicraft businesses will get knowledge on strategies established for promoting handicraft businesses, factors hindering handicraft businesses in promoting their products and then applying good alternatives in promoting handicraft businesses. For instance, academicians and policy makers will use the study as the source of references while dealing with issues related to challenges facing handicraft businesses in promoting their products in Tanzania including conducting more researches, establishing policies and programs. Meanwhile, the study will facilitate review upon measures taken for promoting products of handicraft businesses in Tanzania.

### **1.6 Limitation and Scope of the Study**

The study was conducted in Dar Es Salam region focusing on Makonde Handicraft Village – Mwenge and Tinga Tinga Arts Cooperative Society, Oysterbay. The researcher cancelled Nyumba ya Sanaa and Oysterbay Handcrafters centres both of Dar Es Salaam from the scope of the study due to the fact that Nyumba ya Sanaa are re-organizing after shifting from the city centre to Oysterbay, opposite Oysterbay Police Station and the Oysterbay Handcrafters are relocating to unknown destination due to dispute on their business plot.

### **1.7 Organisation of the Dissertation**

The dissertation is divided into five chapters. The first chapter consist background of the study, statement of the research problem, objectives of the study, research questions and the relevancy of the research.

The second chapter consists of conceptual definitions, theoretical framework of the study, empirical analysis, research gap and conceptual framework of the study.

The third chapter consists of methodology, analysis, sampling and survey procedure and data collection.

Chapter four is on the data presentation, analysis and findings. Lastly, Chapter five contains discussion, conclusion, recommendation and summary.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

#### **2.1 Overview**

This chapter presents conceptual definitions of terms used in the study, theoretical literature, empirical literature, research gap and conceptual framework of the study.

#### **2.2 Conceptual Definitions**

##### **2.1.1 Handicraft**

Handicraft are those products produced by artisans, completely by hand or with the help of hand-tools and sometimes using mechanical means as long as the direct manual contribution of the artisan remains the most substantial component of the finished product (UNESCO, 1997).

Their special nature derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional and religiously and socially symbolic and significant. They are made of sustainably produced raw materials and there is no particular restriction in terms of production quantity. Even when artisans make quantities of the design, no two pieces are ever exactly alike (Ibid).

##### **2.1.2 Handicraft Business**

GEMET (2012) stated that handicraft business is the profession, commercial firm or trade involving the production and distribution of articles that are made through the skilled use of one's hands. Collins English Dictionary 5th Edition published in 2000

defined handicraft business as a particular skill or art performed with the hands, such as weaving, pottery, etc. It also identified that handicraft business can be defined as skill or dexterity in working with the hands.

### **2.1.3 Small Business Promotion**

The American Marketing Association (AMA) defines Business promotion as “media and non-media marketing pressure applied for a predetermined, limited period of time in order to stimulate trial, increase consumer demand, or improve product quality.” But this definition does not capture all the elements of modern sales promotion. One should add that effective sales promotion increases the basic value of a product for a limited time and directly stimulates consumer purchasing, selling effectiveness, or the effort of the sales force. It can be used to inform, persuade, and remind target customers about the business and its marketing mix. Some common types of sales promotion include samples, coupons, sweepstakes, contests, in-store displays, trade shows, price-off deals, premiums, and rebates.

Businesses can target sales promotions at three different audiences: consumers, resellers, and the company's own sales force. Sales promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over another. It is particularly effective in spurring product trial and unplanned purchases. Most marketers believe that a given product or service has an established perceived price or value, and they use sales promotion to change this price-value relationship by increasing the value and/or lowering the price. Compared to the other components of the marketing mix (advertising, publicity, and personal selling), sales promotion usually operates on a shorter time line, uses a more rational

appeal, returns a tangible or real value, fosters an immediate sale, and contributes highly to profitability.

In determining the relative importance to place on sales promotion in the overall marketing mix, a small business should consider its marketing budget, the stage of the product in its life cycle, the nature of competition in the market, the target of the promotion, and the nature of the product. For example, sales promotion and direct mail are particularly attractive alternatives when the marketing budget is limited, as it is for many small businesses. In addition, sales promotion can be an effective tool in a highly competitive market, when the objective is to convince retailers to carry a product or influence consumers to select it over those of competitors.

Similarly, sales promotion is often used in the growth and maturity stages of the product life cycle to stimulate consumers and resellers to choose that product over the competition rather than in the introduction stage, when mass advertising to build awareness might be more important. Finally, sales promotion tends to work best when it is applied to impulse items whose features can be judged at the point of purchase, rather than more complex, expensive items that might require hands-on demonstration (Ibid).

#### **2.1.4 Personal Selling**

Personal selling is the personal presentation made by a person to a potential person, or a group aiming to convince him to buy the product or service of the organization (Kotler, et al., 2005).



### **2.1.5 Advertising**

Advertising is a non personal communication targeting the customers through the mass media with a purpose of achieving sales target for the organization (Gupta and Varshney 2000).

### **2.1.6 Public Relation**

Public relation is a planned and sustained effort by the organisation to establish and maintain goodwill and mutual understanding with the public. It is in a form of non personal in news form creating good image about the organisation products or activities that is transmitted through mass media without a charge (Kotler and Keller 2006).

## **2.2 Theoretical Literature Review**

### **2.2.1 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 (Ibid).

### **2.2.2 Motivational Theory in Small Business Strategy**

Inman (1999), traditional motivation theory addresses what people need or require living fulfilling lives, particularly in the context of work. Historically, the work context has related to large organisations where people may feel they are reasonable

secure, but may feel unfulfilled. The move towards breaking up large organisations into Small Business Units (SBUs) and the de-layering and removing of many activities has led to the growth of a number of small businesses. As a result, many of the theories have to be applied or interpreted in a very different way. In order to develop and promote handicraft business therefore, five types of motivational theory have been identified: need, reinforcement, equity, expectancy and goal getting.

### **2.2.3 Need Theory**

The theory focuses on what people require to live fulfilling lives. People have need and different things are important. The need will generate a drive or motivation to fulfill that need. In the traditional work context, behaviour will be directed to fulfilling that need and eventually satisfying it. Once it is satisfied, then another need must be found and the process repeats itself. This will become very apparent when consideration is given to Maslow Hierarchy.

### **2.2.4 Reinforcement Theory**

The theory is an approach to motivation basing upon the law of effect. Behaviour that has been positive consequences tends to be repeated, while behaviour with negative consequences is unlikely to be repeated. Essentially, it is about using need to change human behaviour in order to achieve a desired result. The essential elements in this theory are as follows:

#### **(a) Positive Reinforcement**

The use of positive consequences such as praise, a bonus or even a raise to commensurate with the level of achievements to further encourage desirable

behaviour. It is important that rewards and feedback follow the event quickly, and relate to the level of achievement. It is also important to ensure that a reward is made. If it is not, then the disgruntled individual will not perform well the next time. For the small businessman, rewards equate to finding something that works and will create positive reinforcement. For example, the stimulus might be the need to increase the sales or the customer base. The lonely solution is telesales, cold calling by telephone. It is hard job often with little sign of result or reward. However, when there is a response, some interest expressed, and then the long suffering individual feels a tremendous boost, and is motivated to carry on. This illustrates Hammer's rule about telling people what they have to do.

**(b) Avoidance Learning**

The element is about avoiding unpleasant consequences. In Hammer's terms, this is telling people where they are going wrong. Perhaps the best example for the small businessman is better record keeping avoiding the more unhappy consequences of tax authorities.

**2.2.5 Equity Theory**

The theory emphasis the role played by an individual's belief in the equity and fairness of rewards in determining performance and satisfaction. The text book definition includes reference to punishment. In an era 100 years beyond Taylor and Fayol, such a view has little place in the modern workplace. Equity can be defined as a ratio between an individual's job inputs (efforts/skills) and rewards (pay/promotion). The motivation comes from what an employee receives in proportion to the effort applied. This is dangerously subjective and emotive area.

An employee who does well with his sales figures deserves a reward. However, what about the situation where one employee does well because his product is in demand, and his territory easy, while another has a difficult product and or territory. Should the second be better rewarded because of the difficulty?

For the small business, the problems are likely to arise with inequity. Once there is a feeling of inequity, of being taken for granted, of being expected to give too much, then there is a potential for serious problems. Equity theory really emphasizes that the workplace is about human relationships. Only when this is properly recognized, can any meaningful equity assessment be made. The small business needs to be like a family, with everybody gaining from and sharing in the successes. This may mean that everybody is treated as a team member, each has a role and each shares in an objective and clearly equitable manner.

### **2.2.6 Expectance Theory**

This is defined as a theory of motivation where people choose how to behave from among an alternative course of behaviour based upon their expectations of potential gain from the behaviour. Students should recognize certain closeness to equity theory, but with more thought put into what really motivates people. Expectancy theory is based upon behaviour determined by a combination of actors in both individual and the working environment; individuals make conscious decisions about their behaviour in the organisation, individuals have different needs, desires and goals, individuals select behaviour patterns based upon expectation of outcome. From these assumptions, the expectancy model can be developed. This has three major components;

**(a) Performance Outcome**

The individual expects a certain consequence of his behaviour. Students should not find this strange. Part of the motivation to pass the examination is the prospects of an increase in salary and possible promotion. In a small business, an employee might expect financial rewards for generating more sales.

There is a negative side to this, that an employee might pass an examination, or improve sales, but did not get the reward or recognition. This may result in a completely dysfunctional event. The successful student may feel disgruntled if technical effort is not rewarded by a raise and/or promotion, and as a result, leave for perceived better prospects elsewhere.

**(b) Balance**

This is the power to motivate and it can vary between individuals. Some employees may well be motivated by the prospects of a promotion even if it means a move. Others, in contrast, may have external values that would cause them not to value such a prospect very highly.

**(c) Effort/Performance**

This is based upon how difficult it will be to perform a task successfully. It is suggested that individuals select the level of performance that seems to give the best chance of achieving the outcome they desire or value. This seems to have something of in Theory X. There is a suggestion that people, while not actually hating work, will always go for the less difficult option. True, if a task is difficult and the prospects of the outcome not very favourable, there will be a distinct reluctance if not

a refusal to undertake the task. Also, by the same token, the prospect of a valued reward will be greeted with enthusiasm.

In this case the craftsmen have to create the right working environment. This means a working environment where people feel that they are rewarded in a meaningful way, want to go the extra mile and want to grow with the business. This means that the fundamental strategy must go beyond just providing for the physiological and security needs. This means selecting a certain type of individual who will work well in a small but growing business. Certain people, no matter how technically suitable they are, may not fit in. Small businesses such as handicraft are demanding. They demand long hours or both owners and employees. Those who are reluctant to give that degree of response, unfortunately have no place. The work place has two components, it has to be right, and the people have to be right (Ibid).

Looking back to these theories it learnt that promoting crafts in handicraft business is critical issues which demand facts. However, handicraft business has been facing different challenges which could be minimized if these theories are effectively applied. In this basis there is an urge need for the new study focusing on challenges facing handicraft business in promoting their products.

## **2.3. Empirical Literature Review**

### **2.3.1 Trade Promotions Strategies**

According to Encyclopedia of Small Business (2002), a trade sales promotion is targeted at resellers, wholesalers and retailers to distribute manufacturers' products to the ultimate consumers. The objectives of sales promotions aimed at the trade are different from those directed at consumers. In general, trade sales promotions hope to

accomplish four goals: 1) Develop in-store merchandising support, as strong support at the retail store level is the key to closing the loop between the customer and the sale. 2) Control inventory by increasing or depleting inventory levels, thus helping to eliminate seasonal peaks and valleys. 3) Expand or improve distribution by opening up new sales areas (trade promotions are also sometimes used to distribute a new size of the product). 4) Generate excitement about the product among those responsible for selling it. Some of the most common forms of trade promotions include point-of-purchase displays, trade shows, sales meetings, sales contests, push money, deal loaders, and promotional allowances.

### **2.3.2 Challenges Facing Handicraft Business in Developing Countries**

Rutashobya and Jaenssson (2004), many donor agencies and international NGOs have engaged in various phases of artisan craft development process. They have identified a number of problems hindering the sound development in a wide range of possible technical cooperation areas. For example, these are lack of promotional and preservation policies, supporting institutions, low craft quality, inability of craft producers to access the opportunities to up-grade their managerial skills and to access business information, lack of capable craft development coordinators and designers, etc. While recognizing these problems, the areas of intervention by donor agencies can rest with the following three main pillars: (i) Policy framework formulation for artisan craft promotion and preservation; (ii) Institutional capacity building for implementing the support programs and activities; and (iii) Strengthening managerial and production capability of craft producing companies and improving technical skills of craftsmen.



### **2.3.3 Problems at Policy Level**

#### **2.3.3.1 Lack of Coherent Policy and Clear Ministerial Responsibilities**

Many developing countries recognize that artisan craft development can play a significant role in regional development. However, they lack a specific policy framework to guide the development effort. Furthermore, in most cases, a clear decision on demarcation of ministerial responsibilities for artisan craft promotion is absent. Due to the wide range of development issues, *among others*, poverty eradication, rural development, preservation of traditional cultural references, promotion of export, human resource development, and technological innovation, governments in developing countries often face difficulties in establishing a proper ministerial coordination mechanism. Furthermore, their current organizational structure and discipline often carry over dysfunctional consequences of this lack of ministerial coordination to the provincial and municipal government levels. Almost all the ministries have their counterpart department in the provincial and municipal governments. Since many governments implement an integral part of promotional activities at the municipal government level, a lack of well-coordinated development effort easily results in the failure of the national promotional programs.

#### **2.3.3.2 Lack of Clear Visions for Promotion and Preservation of Traditional**

##### **Crafts**

In the process of globalization and the free trade policy implementation, most of the traditional crafts have lost their identity and the export market demand has begun to neglect this valuable nature. Innovative handicrafts, adjusted according to cost effectiveness and for changes in the market demand, replaced the true value of the

traditional crafts. The demand driven market force is overwhelming and most of developing countries do not seem to have any powerful counter measures for this eminent trend in the global market. Although many governments recognize the consequential impact, they fail to formulate clear future development visions. They do not seem to acknowledge the importance of preserving “living” traditional artisan crafts, *that is*, preserving the traditional skills supported by sufficient demand and responding production. Often there is no clear definition of traditional crafts differentiating them from innovative handicrafts. This in turn makes it difficult to define the eligibility of traditional craft producers for receiving the government support for the “living” preservation of traditional crafts.

### **2.3.3.3 Lack of Recognition on Traditional Values as a Driving Force of Development**

International markets consider the traditional values inherited in traditional crafts as an intangible asset. The decision makers in developing countries seldom recognize this potentiality of development and hence traditional craft promotion. They often formulate the related regional development strategies without taking into account this aspect. This traditional asset’s effectiveness is amplified when developing countries combine the development effort with the idea of preserving the true cultural heritage, i.e., archaeological monuments, minority tribes’ life styles including their traditional cloths and crafts, processed food, and construction materials. Furthermore, many developing countries do not know that this traditional cultural asset can offer a complementary tourism development component. Consequently, an idea, for instance, to establish a traditional architecturally designed tourist facility in a scenic

area, copying an old farmer's house and demonstrating traditional craft production seldom emerge.

### **2.3.4 Problems at Institution Level**

#### **2.3.4.1 Lack of Decisive Government Intervention for Business Development**

##### **Service Institution-building**

There have been arguments on to what extent and how the governments should intervene in institution-building programs. On one hand, the major donor agencies have discouraged the recipients to implement government led business development services (BDS) in light of the economic rational. There will be a potential risk of distorting the process of sound development of private BDS markets, if the governments provide intensively free or subsidized BDS through their technical cooperation projects. A counter argument, however, points out that this principle should not universally be applied. For instance, most of traditional craft producers are settled in remote areas and are not easily accessible for the private led support services. Moreover, their financial positions are too fragile to pay the necessary BDS with the market price. Wherever appropriate, therefore, strong and decisive government intervention is necessary to assure the inheritance of traditional skills and products through appropriate government led HRD programs and BDS. Without this initiative, it would be difficult to lay a strong sustainable development foundation for this marginal sector.

### **2.3.4.2 Lack of Support Facilities Focusing on Human Resources Development of Craftsperson**

Specific technical improvement requirements have common denominators among different artisan crafts. For instance, a proper drying method could improve the raw material quality of the wood and bamboo based innovative handicrafts and all types of artisan crafts could enjoy design improvement. However, the appropriate government authorities have made very limited efforts to solve common technical problems shared by various artisan craft producers. Very few integrated Research and Development (R& D) and training facilities exist serving the different groups to improve their product quality.

Although a number of sector-based or product based R&D and training centres provide services to their immediate clients, craft producers are often not their prime target beneficiaries. It is mainly because they have historically been playing a marginal role in the main stream of economic development. Particularly craftsmen of minority tribes are in most cases scattered in remote areas and hardly in an influential position to appeal HRD needs vis-à-vis the governments. Vice versa, very few governments actively conduct a survey investigating the need, attitude, image, and usage for BDS.

### **2.3.5 Problems at Craft Producers Level**

#### **2.3.5.1 Low Quality**

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.

#### **2.3.5.2 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.

#### **2.3.5.3 Low 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.

#### **2.3.5.4 Lack 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.

#### **2.3.5.5 Lack of Challenging Mind**

Most of the craft producers who have inherited traditional skills fail, because there is no challenge and they lack creativity, to adopt new and innovative ideas. This makes it difficult to develop innovative handicrafts with their own initiatives. Also, it is difficult to apply new methodologies and approaches to improve their current production. For instance, due to their conservative nature, they might not easily adopt modern development strategies such as cluster development and practical use of embedded product improvement services offered by foreign buyers and international NGOs.

#### **2.3.5.6 Lack of Clear Understanding on Design Improvement**

Design is often understood as a means to develop crafts to meet the consumers' needs and hence as a means to assure a large quantity of production with modern processing technology. Since the development of the artisan craft industries depends on the products' market competitiveness, design improvement has become a key for the successful promotion. Policy makers, craft producers and designers in developing countries, however; have overemphasized this aspect. They should not interpret designing crafts in a narrow sense, indicating only exterior appearance of crafts. The basic concept covers wider aspects including the living environment and culture indigenous to the crafts. This notion is missing among policy makers in developing countries and often among designers.

### 2.3.5.7 Absence of Capable National Designers and Craft Development

#### Coordinators (CDC)

Wholesalers used to play an integral role for bridging the knowledge gaps of craft producers towards meeting market needs. They often fed back the market trend and requested the craft producers to modify the design to meet the respective market needs (**Ibid**).

## 2.4 Empirical Review in Africa

In Ghana, Ashanti Region a case study conducted in 2011 on handicraft products revealed that marketing activities especially its promotion has been a major challenge as a result the handicraft industry being promoted by public relations and personal selling methods. The blame was squarely directed to Ghana Export Promotion Council (GEPC) at Kumasi on its inability to render the needed services to the producers to enhance good production, make the sector attractive to the youths, finance the sector and find market and support promotion activities for the handicraft as a result there is a sharp decline on earning made on handcraft exported to foreign countries as shown below.

**Table 2.1: Ghana Performance on three sectors for non-traditional export earning**

Years	2005	2006	2007	2008	2009
Agriculture					
US \$	151,860,000	177,500,000	197,237,890	187,621,229	150,859,274
Manufacturing					
US \$	604,840,000	710,890,000	963,477,776	1,149,999,125	1,061,907,600
Handicraft					
US \$	20,880,000	4,490,000	3,796,463	3,324,941	2,274,023

Source: GEPC Statistical Report (2011).



Again promotion challenge is given out by Ghana Business Guide News paper (2011) revealed that even at Accra, the capital of Ghana for example of Ategere's shop located at the strategic place at Accra Arts Centre hardly gets customers to patronize his goods. Craft Associations within the Arts Centre do little to help their members to attract customers. There is no financial support or means to promote, market and improve their products thus make their work better and if at all this support is available is focused at urban centered and organized by people who are not familiar with the actual needs of handicraft business, thus the government need to get these training programmes to the grassroots level where most of them will benefit from the training.

## **2.5 Empirical Review in Tanzania**

According to Tanzania Daily News 17 August 2012; Mwanza - looking desperate, despondent and anxious, Frank Justine (24) who sells handicrafts at Capri point in Mwanza city thinks that his business is now facing unprecedented challenges. Mr. Justine, a father of four, told the 'Daily News' that neither the foreigners nor locals are now willing to buy the handicrafts being sold at his timber made kiosk and "In the year 2012 for example, we used to get as many customers as possible especially those from abroad, but nowadays things have changed for a worse. I think this is happening because there are very few foreigners coming here in this season and also the locals are not willing to buy these items," explained Mr. Justine.

Mr. Justine (48) added that; the business is seasonally conducted and spilt into high and low season. Most of the high season is the month of May, June, July and August where the western countries experienced winter season and the customers are many,

while a trend of the customers tend to go down at the month of September, October, November and December which is also known as the low season.

"As you can see right now we have plenty of handicrafts here piled in our kiosk, but let me tell you that I haven't received even a single customer for the past ten days as only a few people come here to watch the items, ask prices and simply go without buying anything," claimed the handicraft seller. A nearby seller, who identified himself as Brother Yunza (23), express his feeling about the dwindle of the business that, "This year the business is very difficult especially in this high season compared to previous years, I think the World Olympics taking place in London may have impacted negatively on our businesses as many tourists are attending the games," he speculated.

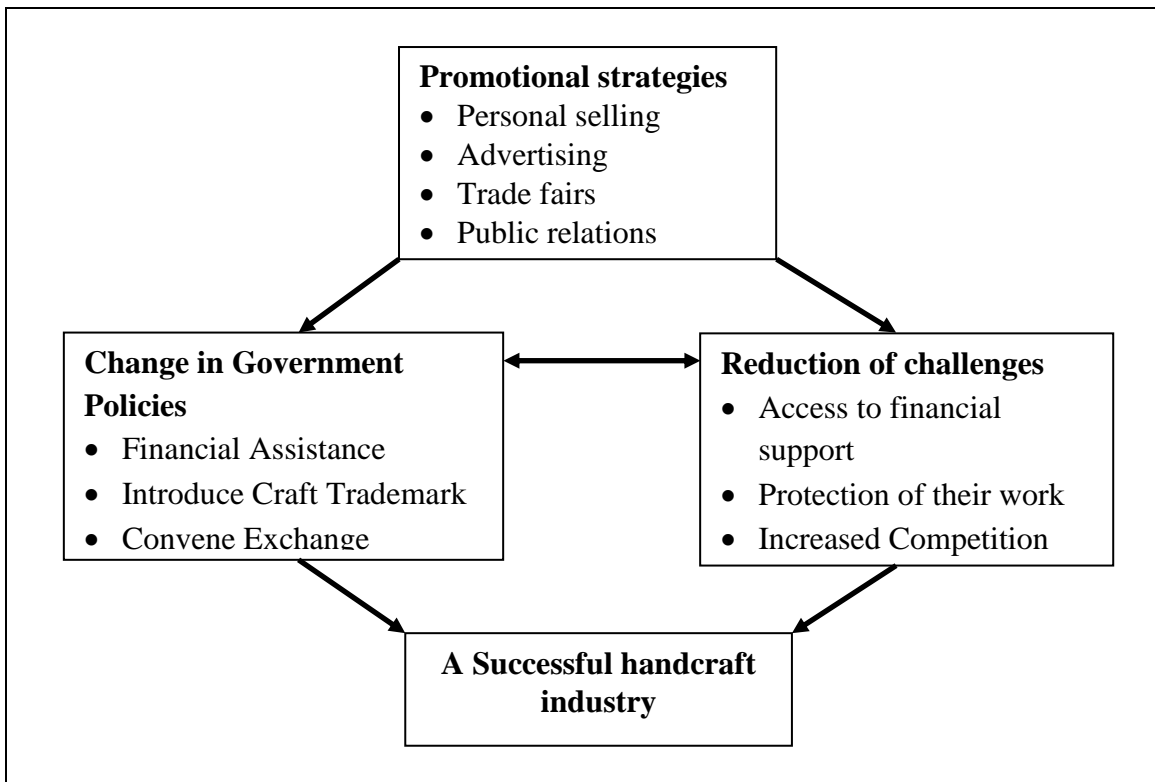
Another seller Joseph Mwanry shares same sentiments adding, "Many people especially those from Europe have moved from their mother land to London to attend the Olympics games and that is why we face a lack of customers to buy our items," he explained. The handicraft sellers in Mwanza are not only confined to Capri point but also are found in other places such as Liberty and Nkrumah Street. Most of them claimed that in the past they used to earn between 4m/- and 10m/- a month, but now, frankly speaking I have only succeeded to earn less than 1m/- since January, this year and this has sharply deteriorated as compared to last year when I used to sell over 200 items that earned me over 2m/- per month," he says (Ibid).

## **2.6 Research Gap**

Promotion challenges facing craftsmen in promoting their crafts is almost similar in developing countries. The promotion of crafts to-date is in the form of operational

marketing particularly focusing on tourists by solely depending on personal selling achieved by display of craft at the point of sale and wait for customers to come and buy. But the literature review show that hand craft business in developing countries including Tanzania have not fully exploited, and the contribution of handcraft business in socio-economic development is not identified. Yet, it is a worth word to conclude that promotion of handicraft business have been faced by various challenges where this study focused.

## 2.7 Conceptual Framework



**Figure 2.1: Conceptual Framework**

Source: Researcher

The diagrammatic conceptual framework above indicates that the promotion of handicraft business is a strategic issue. Change in Government Policies would minimize the challenges facing handicraft business. Handicraft businessmen would have no ability of making promotion improvement to successful business without

collaborating government efforts. Though the government of Tanzania in collaboration with International agencies and other business stakeholders has been establishing various measures to facilitate good environment for small and big business but the handicraft business seem to have no or little positive impact. For this reason there is a need to carry new study especially on the challenges facing handicraft business in promoting their products whereby the above conceptual framework would act as the guideline about the kind of variables to be dealt with.

## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the overall research design, location of the study, sample of the study, sample size, sampling techniques used to select respondents, nature of the study, data collection techniques which were be used to collect relevant information, and data analysis.

#### **3.2 Research Design**

The study used descriptive approaches due to nature of the study which target to examine challenges facing handicraft businesses. The researcher used this design because of its flexibility in terms of tools of data collection and analysis. This also enabled the researcher to apply various methods of data collection and analysis where questionnaires were used for data collection while tabulation and graphs were be put into use for data analysis.

#### **3.3 Population of the Study**

According to Kothari (2006), the term population means an entire group of individuals, events or objects that have a common observable characteristic. It refers to all elements that meet certain criteria for inclusion in a given universe. Thus, the population of this study was comprised of the handcrafters of Makonde Handicraft Village Mwenge and Tinga Tinga Arts Cooperative Society at Oysterbay. The population was considered with the assumption that they are the key possessors of handicraft business related information.

### 3.4 Area of the Research

The study was conducted at Makonde Handicraft Village Mwenge which is located at Mwenge area, along Sam Nujoma road and Tinga Tinga Arts Cooperative Society, Oysterbay. These areas have big concentration of handcrafters therefore conducive for collecting relevant information related to challenges facing handicraft business.

### 3.5 Sample Size and Sampling Procedures

#### 3.5.1 Sample Size

It was difficult to obtain a comprehensive list, and therefore number of the crafters at both centres. This made it impossible to have a predetermined sample size. However, the researcher assumed that a sample of 120 crafters would be reasonable and therefore efforts were made to obtain at least 60 respondents from each centre. Eventually the researcher managed to obtain 102 respondents in total, 51 from each centre. The results are presented in Table 3.1:

**Table 3.1: Sample size and actual responses**

<b>Category of Respondents</b>	<b>Respondents</b>	<b>Actual respondents</b>	<b>Frequency (%)</b>
Makonde Handicraft Village			
Mwenge	60	51	85%
Tinga Tinga Arts Cooperative Society	60	51	85%
<b>TOTAL</b>	<b>120</b>	<b>102</b>	<b>85%</b>

Source: Field data (2013)

### **3.5.2 Sampling Procedures**

According to Kothari (2006), sampling is defined as the selection of some parts of aggregate of the totality based on which a judgment or inference about the aggregate or totality is made. An important issue influencing choice of a sampling technique is whether a sampling frame is available, that is a list of units comprising the study population. Due to difficulty in obtaining official registrar for the handcrafters at Makonde Handicraft Village, Mwenge having 85 craft stalls. Sixty (60) stalls were picked conveniently based on the acceptability of the owners to take part in the study. Each stall at the centre accommodates four to six crafters. So if the owner was not around the occupiers on site were asked to volunteer and only one was picked. In total 51 crafters were eventually picked.

At the TingaTinga Arts Cooperative Society the arrangement was different as the crafters draw their crafts scattered on about 40 tables and each table accommodates about four to five crafters, thereafter their crafts are displayed for sell at their two shops at the centre by paid attendants. One shop was built by the assistance of Alivetas of Switzerland and the other one was built by the assistance of USA. Here the aim was to get at least 60 artists, picking conveniently up to two artists per table conveniently. In the end 51 artists were picked for the study.

### **3.6 Tools of Data Collection**

This study used questionnaire method as means of data collection at both centres TingaTinga Cooperative Society and Makonde Handicraft Village Mwenge, Dar Es Salaam. The questionnaire method is a data collection tool in which same written questions are presented that are to be answered by the respondents in written form.

The written questions can be administered in different ways. For example by sending a questionnaire by mail with clear instructions on how to answer the questions and asking for mailed responses or hand delivering questionnaire to respondents and collecting them later on. In this study the questionnaires were in English language, and were administered face to face in selected clusters by the researcher. The aim here was to ensure that the crafters clearly understood the questions before responding, hence maximizing data accuracy and reliability.

The first part of the questionnaire, questions 1 through 4 were designed to collect personal data on the respondents covering their gender, age categories, education level categories, and their experience in the handcraft business in categories of years. The second part, question 5 asked respondents to indicate in a scale of 1 (strongly disagree) through 5 (strongly disagree) their opinion on the extent to which they agree or disagree to four challenges they face in promoting their handcraft businesses. The factors derived from the literature reviewed included government negligence, exploitation, lack of training and lack of financial support. In addition, respondents were also asked in question 6 to mention two other critical challenges they face in the same, but not captured in the suggested challenges in question 5.

Question 7 was used to identify from respondents the promotion strategies they used in promoting their businesses by indication the frequency in which they used them ranging from “very frequently” through “very rarely”. In this study five advertising media (newspapers, radio, billboards, television, and magazines) and five promotion strategies (public relations, email/internet, personal selling, trade fairs, and international agents) were put to the respondents to rank. Question 8 asked the



respondents to rank the aforementioned media and promotion strategies by indicating the extent to which they had been effective in promoting their handcraft businesses. The ranks ranged from being “very effective” through to being “not effective” at all. Respondent were also asked to pinpoint their target market by indicating the extent to which they sell their products to local and international market. Then finally, the respondents were asked to list down two measures they believe would help to promote the handcraft products better, if used.

### **3.7 Data Analysis**

The questionnaires collected from the respondents were then checked for completeness and usefulness. Both qualitative and quantitative approaches were then used to analyse the data. . Descriptive statistical techniques, mainly frequencies and percentages with cross tabulation of various variables across business location – Mwenge and Tingatinga centres - to allow for comparison. For the qualitative data in questions 6 ad 10, the responses were collated into similar clusters and labeled and their respective frequencies of occurrences were recorded. Composite bar charts were then prepared and used both to rank the clusters and to compare the frequencies between Mwenge and Tinagatinga centres. Other qualitative information begotten as the researcher was administering the questionnaires was analysed in terms of content and where applicable, a quotation from it was used to support selected positions.

### **3.8 Reliability**

Reliability can be tested by finding out such things about the said data by checking who collected the data, the sources of the data, was the data collected by using proper method at the time of collecting them and if there was there any biases of the compiler of the data and was the level of accuracy achieved (Churchill,. 2006).

### **3.9 Validity of Data**

Validity of data is whereby the data collected and responses received by the questionnaires give the results therein reflecting the realities which represent what the researcher was measuring (Saunders et al, 2012). The researcher did pretesting of 15 crafters from the two centres, 10 crafters from Makonde Handicraft Village Mwenge and 5 crafters from TingaTinga Arts Society. The respondents were then excluded from the main sample.

## **CHAPTER FOUR**

### **4.0 FINDINGS AND DISCUSSION**

#### **4.1 Overview**

This chapter presents the study findings based on the analysis of the data collected from the two study areas - the Makonde Handicraft Village – Mwenge and Tinga Tinga Arts Cooperative Society, Oysterbay. The chapter is organized in sections. Section 4.2 presents the description of the sample. Section 4.3 presents the advertising and promotion strategies that are used by the handcraft businesses involved in the study. Section 4.4 presents results of the assessment of the extent to which the promotion strategies suggested to them are effective. Section 4.5 lists the challenges faced by the handcraft businesses as they struggle to market their products. First it presents results on the challenges suggested to the respondents and secondly other challenges identified by the respondents. Finally, Section 4.6 of the chapter presents the list of measures which should be taken to strengthen promotion of handcraft businesses in Tanzania as aired by respondents.

#### **4.2 Description of the Sample**

Table 4.1 presents distribution of respondents by location of their businesses. A total of 102 useful questionnaires were collected and inputted into SPSS for analysis. Two business centres were involved - Makonde Handicraft Village - Mwenge and Tinga Tinga Arts Cooperative Society respectively each with 51 (50%) respondents.

**Table 4.1: Number of Respondents**

Category of Respondents	Actual No. of Respondents (%)
Makonde Handicraft Village Mwenge	51 (50%)
Tinga Tinga Arts Cooperative Society	51 (50%)
Total	102 (100%)

Source: Field Data (2013)

Table 4.2 shows the distribution of the respondents by gender in Panel A and by Age in Panel B. Panel A indicates that at Mwenge Makonde Handicraft Village, 70% of the respondents were Male and 28% were Female. At Tinga Tinga Arts Cooperative Society, Male artists accounted for 88% of all respondents and female artist for 12% of all respondents. One respondent (0.2%) did not disclose gender and this is indicated as missing. The number of women at Tingatinga was less than half the number of those at Mwenge. In total, 79% of the total respondents were male. This implies that more men are engaged in crafts business than are women.

**Table 4.2: Gender and Age of Respondents**

	Mwenge	Tingatinga	Total
<b>Panel A: Gender</b>			
Male	36 (70%)	45 (88%)	81 (79%)
Female	14 (28%)	6 (12%)	20 (20%)
Missing	1 (02%)	0 (0%)	1 (01%)
Total	51 (100%)	51 (100%)	102 (100%)
<b>Panel B: Age</b>			
< 25 years	0 (00%)	3 (06%)	3 (3%)
26-35	0 (00%)	6 (12%)	6 (6%)
36-45	3 (06%)	8 (16%)	11 (11%)
46-55	19 (37%)	13 (25%)	32 (31%)
> 55 years	28 (55%)	21 (41%)	49 (48%)
Missing	1(02%)	0 (0%)	1 (01%)
Total	51 (100%)	51	102

Source: Field Data (2013)

Panel B of Table 4.2 shows the distribution of respondents by age. About 55% of the respondents at Mwenge were in the “above 55 years” age category, while those in the same age category at Tingatinga were 41%. On the other hand, 37% and 25% of the respondents belong to “46-55 years” category at Mwenge and Tingatinga respectively. Surprisingly, there were no people in below 36 years of age at Mwenge, and also very few (8%) at Tingatinga. The results imply that there are older people than younger, and more men than women in the handcrafts business. This is true for both centres. The presence of relatively more women at Mwenge is partially explained by their engagement in the tie and dye and women ornaments businesses. At Tingatinga centre women are also engaged with fine art (art of making pictures – abstract drawings). Overall, these results raise an important implication for the future sustainability of the handcraft businesses as it is not attracting younger people.

Panel A of Table 4.3 shows the details highest education of the respondents at the two centres. It shows that respondents with Primary level education as their highest education level accounted for 54.9% and 68.8% of all respondents at Mwenge and Tingatinga centres respectively. Those with Secondary education as their highest level of education accounted for 41.2% and 29.4% of all respondents at Mwenge and Tingatinga centres respectively. The results also show that there are more secondary education graduates at Mwenge centre than there are at Tingatinga centre. Furthermore, those with Post Secondary education as their highest level of education accounted for 2% of all respondents at Mwenge centre. None were in this category at Tingatinga centre. A clear picture that emerges from these results is that the majority (about two third) of the handcraft business players are primary school level

graduates. This picture may signal a real challenge in language mastery when it comes to dealing with international business customers in matters related to promotion of handicraft products. It also has important implication for the kind of support that craft business participants may need. Language, and ICT skills may be of higher priority. Moreover, the results raise another important question as to why the business has not been able to attract more educated people despite the fact that this field is taught up to University level C.f. University of Dar es Salaam. At the same time it poses a question on the ability of these handcrafters to apply high level promotion skills and technology to promote their businesses locally and internationally.

Panel B of Table 4.3 details experience of the respondents. While there were no respondents at Mwenge Centre in the “below 4 years” experience category there were only 3.9% of respondents at Tingatinga in that experience category. Even in the “4-7 years” experience category, there were only 2% and 5.9% of respondents at Mwenge and Tingatinga centres, respectively. Again, in the “7-10 years” experience category, Mwenge centre recorded 19.6% of the respondents while Tingatinga recorded 15.5% of the respondents. These results leave the majority of respondents (about three quarters) at each of the centres in the “above 10 years” experience category. The results present a worrying picture about the handcraft business in Tanzania.

While they indicate that the businesses are run by mature people having sound experience in the handicraft business, it is worrying at the same time because it does not seem to attract new entrants and groom them. When these results are read

together with those of Panel B in Table 4.2, succession and therefore sustainability of these businesses becomes a clear problem. Definitely, danger looms the nation's cultural heritage.

**Table 4.3: Education and Experience Levels of Respondents**

	Mwenge	Tingatinga	Total
<b>Panel A: Education Level</b>			
Primary Education	28 (54.9%)	35 (68.6%)	65 (61.8)
Secondary Education	21 (41.2%)	15 (29.4%)	36 (35.3%)
Post Secondary	1 (2%)	1 (2%)	2 (2%)
Missing	1 (2%)	0 (0%)	1 (1%)
<b>Total</b>	<b>51 (50%)</b>	<b>51 (50%)</b>	<b>102 (100%)</b>
<b>Panel B: Experience Level</b>			
Below 4 years	0 (0.0%)	2 (3.9%)	2 (2.0%)
4 – 7 years	1 (2.0%)	3 (5.9%)	4 (3.9%)
7 – 10 years	10 (19.6%)	8 (15.7%)	18 (17.6%)
Above 10 years	38 (74.5%)	38 (74.5%)	76 (74.5)
Missing	2 (3.9%)	0 (0.0%)	2 (2.0%)
<b>Total</b>	<b>51 (50%)</b>	<b>51 (50%)</b>	<b>102 (100%)</b>

Source: Field Data (2013)

### 4.3 Advertising and Promotion Strategies

The study put a list of most commonly available advertising and promotion strategies to the respondents asking them to indicate those that they use in promoting their businesses. These included Newspapers, radio, billboards, television and magazine. Panel A of Table 4.4 shows that none of these advertising strategies were used by businesses both at Mwenge and at Tingatinga centres. The study also put to the respondents a number of most commonly available promotion strategies asking them

to indicate those that they apply in promoting their businesses. These included public relations, email and internet use, personal selling, trade fairs as well as international agent. Panel B of Table 4.4 presents the results in which it is indicated that 100% of the respondents at both centres used personal selling and none of the other strategies.

The participants acknowledged overwhelmingly the existence of the advertising media and product promotion and its importance for advertising of handicraft business but the obstacle they have is the resources to cover advertising and promotion costs. Mr. Yusuf Miwa said that “we want our business to be advertised and promoted as that of mobile telephone companies in Tanzania, from airport to Mwenge centre and at all Tanzanian borders to let tourists know what we have but it is too expensive. What we are earning from the business is only enough for bus fare, taxes and food”. We do not have sponsors musicians and tie and dye makers. The matter of fact we cannot even afford to put a billboard at the centre because we have to pay for it on monthly basis.

Kotler and Armstrong (2001) gave out the importance of advertising and promotion throughout the product life cycle as to inform, persuade, increase sales, as it actually stimulates consumers’ desire to purchase. Thus, the handcrafters are in dire need for NGOs, banks and other stakeholders in our society to help them to advertise their business to increase foreign exchange earnings for our country.



**Table 4.4: Strategies Used in Promoting Handcraft Business**

	Mwenge	Tingatinga
<b>Panel A: Advertising</b>		
Newspapers	N/A	N/A
Radio	N/A	N/A
Billboards	N/A	N/A
Television	N/A	N/A
Magazine	N/A	N/A
<b>Panel B: Promotion</b>		
Public Relations	N/A	N/A
Email and Internet	N/A	N/A
Personal Selling	100%	100%
Trade Fair	N/A	N/A
International Agents	N/A	N/A

Source: Field Data (2013)

#### 4.4 Effectiveness of Advertising and Promotion Methods

Table 4.5 presents the results of the assessment of the effectiveness of advertising and promotion strategies used by handcraft businesses at Mwenge and Tingatinga centres. Panel A shows that advertising media are not applicable at both centres. This is consistent with the results in Panel A of Table 4.4 which showed that none of these strategies were applicable. Panel B shows that 100% of the respondents at both centres indicate that personal selling was the most effective strategy. All the remaining promotion strategies are not applicable. This again is consistent with the results in Panel B of Table 4.4. These results show that there is still a huge bank of advertising and promotion strategies that have not been tapped. If these are activated, they can raise the handcraft businesses' profits making their contribution to the society and economy much more felt.

**Table 4.5: Effectiveness of the Advertising and Promotion Strategies**

	Mwenge	Tingatinga
<b>Panel A: Advertising</b>		
Newspapers	N/A	N/A
Radio	N/A	N/A
Billboards	N/A	N/A
Television	N/A	N/A
Magazine	N/A	N/A
<b>Panel B: Promotion</b>		
Public Relations	N/A	N/A
Email and Internet	N/A	N/A
Personal Selling	100%	100%
Trade Fair	N/A	N/A
International Agents	N/A	N/A

Source: Field Data (2013)

## 4.5 Challenges Facing Handicraft Businesses

### 4.5.1 Responses to suggested challenges

Respondents were given a list of issues raised from the literature reviewed, representing critical challenges facing handicraft businesses elsewhere. They were asked to indicate the degree to which they agree or disagree to each as a challenge to their business. The issue posed included government negligence, exploitation by businessmen, lack of training and lack of financial support. Tables 4.6 presents the results for both centres.

**Table 4.6: Challenges Facing Handicraft Business in Promoting their Products**

	Mwenge	Tingatinga
Government Negligence	100%	100%
Exploitation	100%	100%
Lack of Training	100%	100%
Lack of Financial Support	100%	98%

Source: Field Data (2013)

A hundred percentage (100%) of respondents on each of the two centres rated Government negligence on the handicraft sector. One of the respondents, Mr Ali Saleh who has dealt with handicraft business for more than 10 years narrated that they had expected that the government, as the key stakeholder in supporting the growth of the sector, would take the centre stage but that has not been the case.

*“the government has forgotten this sector long ago; it only comes into being when there are international leaders paying a visit into our country and these leaders want to purchase Tingatinga paintings, that is when you see government officials visiting our businesses to secure the security of these leaders; thereafter we are forgotten once again.”(Ali Saleh, personal interview).*

Exploitation was another challenge that was agreed upon by all respondents (100%) at both centres. The crafters pointed out that while they work very hard and for many hours, their products are sold at low price, one of the reasons being their ignorance of the exactly price at which they should sell an abstract picture of Tingatinga or a scripture of ebony “mpingo”. Some others disclosed that they are sometimes taken abroad to paint Tingatinga pictures in-house or in public places but are paid whatever the master decides.

Lack of training was also rated by 100% of the respondents at each of the two centres. For a handcraft business to evolve, it needs training in a number of critical areas such as skills, innovation, marketing etc in order to adopt changing culture. Although Bagamoyo School of Art that offers training for the handcrafters in Tanzania, the chances for the handcrafters from the two centres to gain admission to these programmes is nil. See for example education level of the respondents in Panel A of Table 4.3. Shomari Juma, one of the business operators at Tingatinga centre had this to say

*“We crafters really need formal training for the improvement of Tingatinga drawings, but how can I afford training fees for me while I am struggling to send my children to primary school?” (Shomari Juma – personal interview)*

The results calls for a dire need of formal training for the handcrafters to enable them adopt new skills on this sector thus entice new customers. Lack of financial support was yet another challenge agreed upon by all respondents at Mwenge Centre (100%) and by 98% of all respondents at Tingatinga centre. Handicraft businesses need sound capital as the process involves buying raw materials, tools and transportation expenses. The crafters lack financial support from commercial banks as the interest is too high considering the type of seasonal handicraft business, that is tourist season is between July – September, thereafter is low season where sales will not be sufficient to repay the bank loan.

The matter is further complicated when banks require immovable asset as collateral for a loan while one of the centres have title deeds which could be used as security against the loans. Motivated by the current wave of extending credit to micro and small firms in Tanzania through SACCOS in Tanzania, the researcher inquired as to

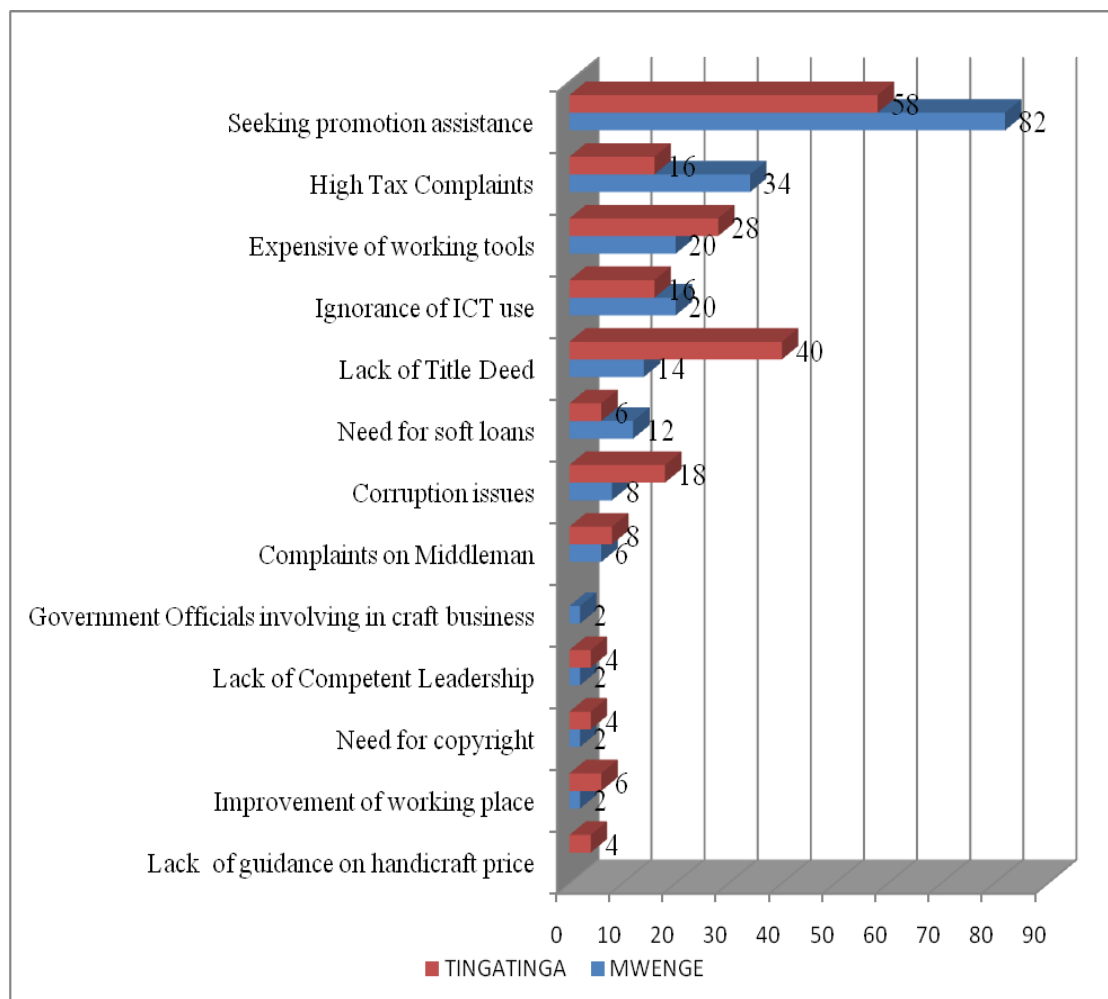
why they would not form one of their own in order to also benefit from the wave.

One Salehe Abdalla had this to say:

*“we do not have formal training which would enable us establish a SACCOS and no government official has volunteered to help us on this issue.”*

#### 4.5.2 Challenges Aired by Respondents in Implementing Promotion Strategies

In addition to responding to the suggested challenges in the literature, respondents were asked to pinpoint two other key challenges they face in promoting their handcraft businesses but are not included in the suggested options.



**Figure 4.1: Other Challenges Faced by Handcraft Businesses in Implementing Promotion Strategies**

Source: Field Data (2013)

Figure 4.2 indicates that seeking promotion assistance is the most serious challenge at both Mwenge centre (Makonde Handicraft Village Society) and Tinga tinga centre (Tinga tinga Arts Cooperative) as it was pointed out by 82% and 58% of the respondents at each centre, respectively. For Mwenge, the next serious challenges were tax related challenges (34%) followed by the high cost of working tools (28%) and the lack of ICT knowledge (20%) which they could use to promote their businesses. Other notable challenges at Mwenge include Lack of title deed to their property (14%), lack of access to credit (12%) corruption related issues (8%) and the effect of middlemen (6%).

The lack of title deed was pointed out as a more serious challenge at Tinga tinga as it was pointed out by 40% of the respondents, compared to only 14% at Mwenge Centre. Corruption related issues were pointed out by 18% of respondents at Tingatinga compared to only 8% of respondents at Mwenge. On the other hand, tax related challenges are pointed out by 16% of the respondents at TingaTinga, slightly less than half of the respondents at Mwenge who pinpointed it out. Other notable challenges at Tingatinga include high cost of working tools (28%), lack of ICT knowledge (16%), effects of middlemen (6%), lack of access to credit (6%), and poor conditions of their working place (6%).

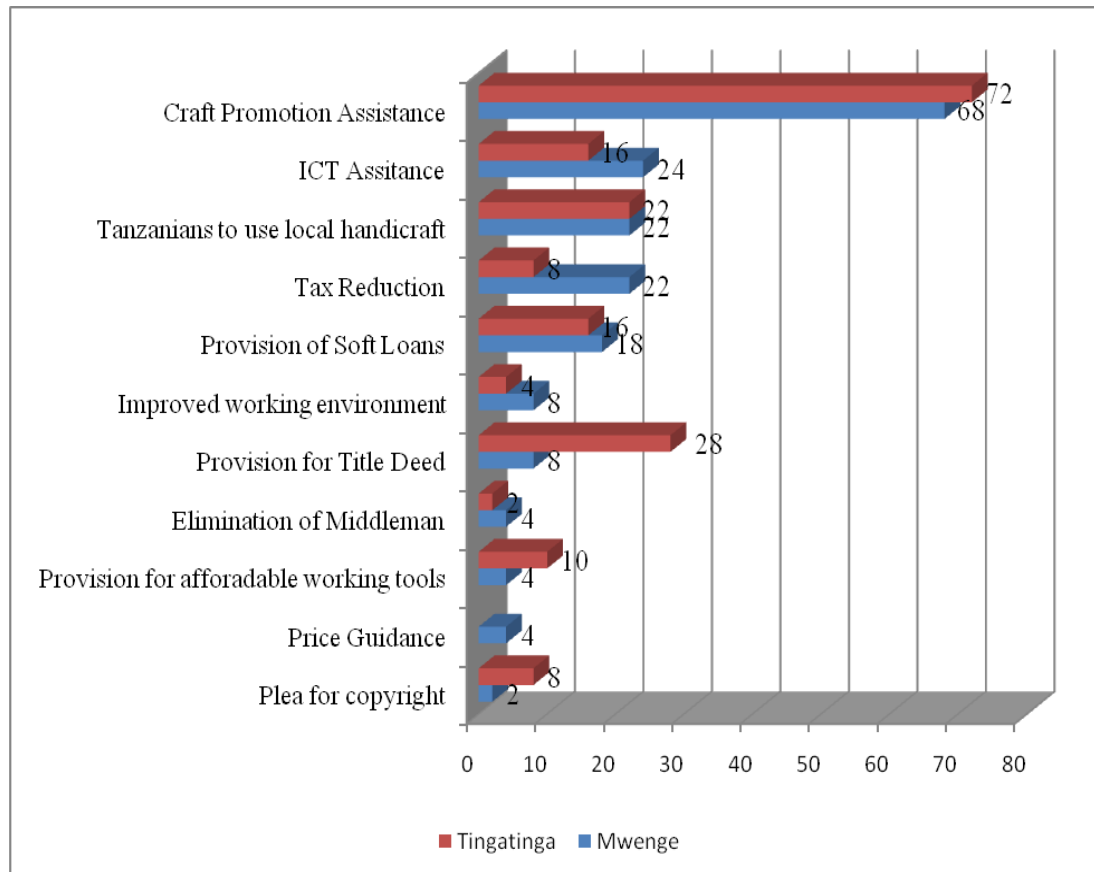
These results imply that at both centres there are challenges which limit promotion of handicrafts business and need to be resolved. Government, financial institutions as well as NGOs need to come in to provide assistance to these crafters. The assistance should include provision of soft loan considering that the type of their business is seasonal having its peak during the months of July to September while the rest of the

year is low season for them. Training is wanting both in growing the business and on the role of ICT in promoting their business bearing in mind that the main market for their products has been indicated on “international market”. This could start with the knowledge of ICT use first, and then followed with how the same could be put into use to enhance their promotion efforts. The use of ICT for example could bring them in direct contact with their international customers and therefore resolve the problems related to middlemen. The findings further raise issues related to taxes and corruption. Tax authorities should look either into the tax rates or the administration of the same. Tax assessors should be oriented into becoming friends of business development rather than business demolishers by acting fairly to businesses. The aim here should always be helping small entrepreneurs to grow and graduate to successful future businesses and big tax payers. It would also add value if the handcrafters join in association so that they can control pricing as well as the source of working tools, access to training opportunities as well as to credit.

#### **4.6 Measures to Improve the Promotion of Handcraft Businesses**

Each respondent was asked to air two most critical things that should be done to make the promotion of handcraft businesses more effective in future. Figure 4.2 presents the results. The results show that at both centres the most critical measure is assistance in promoting the handcraft products. This was pointed out by 68% and 72% of all respondents at Mwenge and Tinga tinga centres respectively. The second most critical measure was the provision of title deed for the working places. However, this was more critical at Tingatinga centre as it was pointed out by 28% of the respondents compared to only 8% of the respondents at Mwenge centre. While

assistance in ICT skills was pointed out by 24% of the respondents at Mwenge, it was pointed out by only 16% of the respondents at Tinga tinga. Cultivation of local demand for handcraft was also pointed out by 22% of the respondents at each centre.



**Figure 4. 2 Measures to make promotion of handcraft Businesses more Effective**

Source: Field data (2013)

#### **4.6.1 Measure to Make Promotion of Handcraft Businesses More Effective**

Other measures pointed by respondents included tax revolution, price guidance, plea for copyright, ICT assistance, provision for affordable working tools, provision of soft loans, improved of working environment and eliminating middleman. It is important to note that while there was about same percentage of respondents in assistance in promotion, cultivating local demand for handcraft, and provision of soft



loans, there are notable differences in the extent each of the rest of measures were pointed out across the two centres. From these results it is clear that involvement of various stakeholders such as the central and local governments, tax authorities, non-governmental organization, training institutions, microfinance institutions and private sector development agencies each has a role to play if we are to have successful handcraft business sector in Tanzania.

#### **4.7 Target Market for Handicraft Products**

The research data revealed that handicraft business solely depend on the international marketing. Table 4.7 shows that 100% or the respondents at each centre indicated that they sell to international markets. None at each centre indicated selling to local market. These results indicate that the handcraft businesses would require all the assistance that would make them able to access the international market effectively and efficiently as well as competitively. In addition, measures to stimulate local demand for the handcraft products are more than welcome. One Mahadhi Halphan of Tingatinga for example said in an interview that:

*“it is extremely rare to see indigenous Tanzanian buying Tingatinga paint, I think many believe that those belong to ‘wazungus’ many prefer to purchase ‘wazungu’ pictures to decorate homes, offices, banks, hotels, government offices. This is a very strong belief which need super promotion and strong government influence to change this belief”.*

According to UNESCO Report 1997 indicates that in developing countries handicraft business is the second of foreign exchange preceded by agriculture. Tanzania is not

an exception on this subject and therefore need new impetus to activate locals to purchase handicraft to appreciate their culture and activate new employment for Tanzanian youths for handicraft business.

**Table 4.7: Target Marketing for Handicraft**

	Mwenge	Tingatinga
Frequency selling to International Market	100%	100%
Frequency to Local Markets	N/A	N/A

## **CHAPTER FIVE**

### **5.0 SUMMARY, CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS**

#### **5.1 Overview**

This chapter presents conclusions and recommendations on the challenges facing handicraft businesses in implementing promotion strategies for their products. The study objectives were to identify strategies that are used by the Handcraft businesses in promoting their businesses; to assess their effectiveness and to identify the challenges that these businesses face in implementing those strategies. The study was descriptive in nature and collected views, using a questionnaire, from a sample of 102 handicraft business owners/operators drawn conveniently and equally from two centres in Dar es Salaam; namely – the Makonde Handcraft Vilallge Society at Mwenge and the Tingatinga Art Cooperative at Oysterbay.

#### **5.2 Summary of Key Results**

The study found that the handicraft business sector strategically use personal selling the sole strategy for the promotion of handicraft businesses. Although all the respondents confirmed to be aware of the other advertising and promotion strategies, they argue that they do not utilize them due to financial inability and lack of sponsorship from stakeholder. The study also found that the strategy in use – personal selling was very effective at both centres. In terms of challenges faced by handicraft businesses in promoting their products, the study found out that Government negligence, exploitation, lack of training, lack of financial support, lack of promotion assistance from stakeholders, tax related complaints, expensive

working tools, inability to engage with ICT and lack of ownership to the working places were the most critical challenges. Other striking results include the finding that the handcraft sector is dominated by owners/operators with low education level and is also attracting extremely few youngsters, a threat to its future sustainability.

### **5.3 Conclusions**

From the study results it can be concluded that promotion of handcraft businesses in Tanzania 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, un-employment 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 etc.

The lack of ownership to the working places makes crafter lack identity and hence there no assets they can use as a key to accessing financial support from financial institutions. This is surprising in the sense that although handicraft business contributes to the national coffers as the second foreign exchange earner, UNESCO (1997) no specific areas have been arranged to support and promote handcraft business. The feeling of being neglected by the government and other authorities adds to the problems. For example, the crafters feel that whole the government highly promotes music artists by building modernized studios and given presidential

invitation with copyright enforcement regulations, no similar efforts are being done in handcraft businesses. The promotion of handcraft in particular for the Tanzanians need the opinion leaders such as government officials while visiting various areas by convincing them to buy Tanzania handcraft, for example the Father of the Nation, Mwalimu Julius Nyerere motivated Tanzanians to buy Tanzanian products and it worked. Tanzanians really need to be reactivated to uplift the handcraft sector. Banks, hotels, offices lobbies should have arts and crafts from these centres as way of advertising of handcrafts.

The Ministry of Natural Resources and Tourism, Tour Operators, International Hotels, National Museums, Banks, NGOs should give support by advertising and promoting handcrafts. The handcraft sector need collective efforts of national and international stakeholders to break the vicious cycle of these challenges and bail them out of world economic doldrums by offering education in particular ICT, seminars on leadership to enable them to re-organize, offer training for the artists to enable them acquire formal knowledge in order to evolve with culture to retain and attract more handcraft customers.

#### **5.4 Implications**

The study findings have important implications for government in the sense that there is a need for having a balance effort to promote the handcraft businesses in a similar manner as it has been doing for other in terms of culture like music and sport. Another implication facing the sector is the demise of our culture being handled from one generation to another because the young generation sees working into handcraft sector is tedious, unattractive due to use of obsolete tools, high taxes and the rigid

government system in acting on the problems facing the handcrafters. Specifically, the finding that the sector is not attracting youngsters is very worrying. Another implication of the challenges facing handicraft business is to lose the right of trademark/copyright for Tingatinga drawings and Ujamaa carvings. Both centres have been trying to register for trademark for their applications are misplaced in Government offices. The neighboring countries are capitalizing on the weakness by drawing and carving same crafts to tourists touring their countries thus jeopardizing copyright for Tanzanian culture.

## **5.5 Recommendations**

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 and realize the sector's fully potential as an economic sector like other countries are doing
- Trainings institutions, like VETA network 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.
- Financial institutions should also come forth to see how these businesses could be supported profitably now and in the future.
- Solidarity among the handcrafters is also important. Creation of associations with strong leadership will help in creating governance institutions, one voice

in policy dialogues as well as common bargaining power, whether it is in price setting or in bulk procurement of materials and working tools.

- Ownership of the working places should also be looked into by relevant authorities. On the other hand, tax authorities should come up with realistic strategies of collecting taxes from these businesses but also strategies to help them grow and become large voluntary tax payers in future.

## **5.6 Limitations and Areas for Future Research**

The study was limited to the two handcraft centres in Dar es Salaam and therefore the results could not be generalized over all handcraft businesses in Tanzania. This calls for a number of considerations in future research. For example, there is a need to explore other handcraft centres in the country to find out if they face similar challenges. Secondly, there is a need to explore the perceptions of customers and other stakeholders about the quality of Tanzania's handcraft. Places like tourist centres, hotels and exit points like airports could be included in the study.

Thirdly, future research could also explore views of other key stakeholders especially key government ministries, departments and units, as well as relevant training institutions to determine the reasons for the lack of interest in supporting the handcraft centre. From the financial challenges it would also add value if microfinance institutions are also included in future studies to determine their perception about these businesses and why they have not come forth to lend their support, given the potential of the businesses which could become future profitable customers. All these ideas are important given the fact that Tanzania is lagging behind other East Africa countries. For example, Uganda has Government Handicraft

Core Team to deal with all matters concerning handicraft sector (Uganda Handicraft Export Strategy (2005)).



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**APPENDICES****APPENDIX I****QUESTIONNAIRE: HANDCRAFTERS**

- 1) Gender
  - a) Male
  - b) Female
  
- 2) Age
  - a) 18 – 25
  - b) 26 – 35
  - c) 36 – 45
  - d) 46 – 55
  - e) 56 – 65
  - f) 66 - 75
  
- 3) Level of education of respondents
  - a) Less Primary education
  - b) Primary education
  - c) Secondary Education
  - d) Diploma
  - e) Bachelor Degree
  - f) Highest Education Level
  
- 4) Level of experience in handicraft business
  - a) Less1 year
  - b) 1 – 3 years
  - c) 4 – 7 years
  - d) 7 – 10 years
  - e) Above 10 years
  
- 5) What challenges do you face in implementing promotion of your products?

	<b>Strongly agree</b>	<b>Agree</b>	<b>Undecided</b>	<b>Disagree</b>	<b>Strongly disagree</b>
Government negligence					
Exploitation					
Lack of training					
Lack of financial support					

**Scale: Strongly agree =5, Agree =4, Undecided =3, Disagree =2, Strongly disagree =1**

6) List two other critical challenges that you face but are not listed above.

a) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

b) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

7) What promotion strategy do you use in promoting your handicraft business?

	<b>Very frequently</b>	<b>Frequently</b>	<b>Occasionally</b>	<b>Rarely</b>	<b>Very rarely</b>
Advertising:					
(i) Newspaper					
(ii) Radio					

(iii) Billboards					
(iv) Television					
(v) Magazine					
Promotion					
Public Relations					
Email/internet promotion					
Personal selling					
Trade Fairs					
International Agents					

**Scale: Very Frequently =5, Frequently =4, Occasionally =3,Rarely =2, Very Rarely=1**

8) How effective are the promotion strategies you use in promoting handicrafts

	<b>Very effective</b>	<b>Effective</b>	<b>Not sure</b>	<b>Less effective</b>	<b>Not effective</b>
Advertising:					
(i) Newspaper					
(ii) Radio					
(iii) Billboards					
(iv) Television					
(v) Magazine					
Promotion					
Publicity/Public Relations					
Email/internet promotion					
Personal selling					
Trade Fairs					
International Agents					

**Scale: Very effective =5, Effective =4, Not sure =3, Less effective =2, Not effective =1**

9) To whom do you sell your handicraft?

	<b>Very frequently</b>	<b>Frequently</b>	<b>Occasionally</b>	<b>Rarely</b>	<b>Very rarely</b>
International market					
Local markets					

**Scale: Very Frequently =5, Frequently =4, Occasionally =3, Rarely =2, Very Rarely=1**

10) Mention two most important measures that should be taken to help handicraft businesses to promote their products?

a) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

b) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Thank you for your participation.  
 Your cooperation is highly appreciated**