PROMOTION OF HANDICRAFT PRODUCTS IN ASHANTI REGION

( A CASE STUDY – KWABRE DISTRICT)

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A project work presented to the Business Studies Department of Christian Service University College in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

JULY, 2011
CANDIDATE AUTHENTICITY

We hereby declare that this research work is the result of our own original research and that no part of it has been presented for another degree in the University or elsewhere.

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I hereby declare that the preparation of this work was supervised in accordance with the guidelines on supervision of research work laid down by the University.

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ABSTRACT

The craft industry is a creative sector producing traditional craft and functional wares for the informal and the formal retail market. Though, there is a considerable potential that can be maximized, the sector continues to struggle to realize that potential and establish itself as a viable and vibrant economic activity for prospective entrepreneurs.

The research was carried out on handicraft production in Ghana, particularly Ashanti region with respect to Kente weaving and wood carvings. The aim was to find out the problems confronting the marketing of handicraft products in Ghana and offer suggested solutions to them.

The study was carried out in the industry in Ghana and covered a period of five years from 2005 to 2009. Data were collected through questionnaires sent to a sample of producers and exporters as well as the staff of Ghana Export Promotion Council. Though the study was restricted to Ashanti region, the findings and the suggested recommendations are for the whole industry in Ghana. Arising from the result, it was suggested that, increased governmental participation in promotion of the handicraft products could be carried out through increased financing, educational programmes and the use of modern technological ways of producing as well as, using marketing activities that will increase the selling of the product. Increase credit schemes for both producers and exporters, training for handicraft producers with the modern ways of designing products for good functionality.
ACKNOWLEDGEMENT

While undertaking this study, we benefited from the cooperation of several persons. Firstly, I would like to express my profound gratitude to our supervisor Mr. Stephen Banahene, a Lecturee of Christian Service University College without whose assistance this study would not have been a reality. His objective criticisms, comments and encouragement have really yielded the required individuals. We wish to thank him sincerely.

Particular are also extended to our Head of Department who provided the stimulus and encouragement, advice and fruitful discussions directed at the success of this work.

We owe a debt of gratitude especially to Mr. Adjei Yeboah Regional Director of Ghana Export Promotion Council (GEPC) Kumasi, who accepted our introductory letter and granted us the permission to conduct the search within his department. Special thanks go to Mr. Francis Fosu-Kwakye, Deputey Regional Director of G.E.P.C who provided us with information overt or covert without which the book would not have been possible. Mention must be made to the following persons Mrs. Olivia Osei – Bonsu secretary of G.E.P.C., Mr. Clement Osei manager of Ahwiaa wood carving, Brother Collins Aning of Adanwomase Community based Ecotourism-home of quality Kente cloth, and all who help in diverse ways for us to get some information. We are most grateful to the following lecturers of CSUC Marketing Department for their immense contributions that have brought us to this far: Mr. Fosu Adarkwah –Marketing Research, Mr. Mike Andoh - Selling & Sales Management and Marketing Communications, Sarpong Appiah- Service / International marketing.

We are also not forgetting Mr. Hayford Nsiah who lectured us on Research Methods. We deeply appreciate their sacrifices they made to ensure that we pass through the Business Administration Bachelor Degree programme.

Since it would be impossible for us to name all those whom we owe a debt to gratitude, we would like to thank those who readily accepted our interviews and also provided us with information whether overt or covert without which this book would not have been possible.
DEDICATION

This project is dedicated to our spouses and children for their unrelenting support towards our Bachelor Degree programme.
TABLE OF CONTENTS

CONTENTS PAGE
Title Page i
Statement of Authenticity ii
Abstract iii
Acknowledgement iv
Dedication v
Table of contents vi
List of Tables x
List of Figures xi

CHAPTER

ONE INTRODUCTION OF THE STUDY

Introduction 1
History of handicraft in Ghana 2
Statement of problems 3
Research Questions 4
Objectives of the study 4
Significance of the study 5
Scope of the study 6
Limitations 7
Organization of the study 7
## TWO LITERATURE REVIEW

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>8</td>
</tr>
<tr>
<td>Review of Related Literature</td>
<td>8</td>
</tr>
<tr>
<td>The Meaning Of Promotion</td>
<td>11</td>
</tr>
<tr>
<td>Promotional Elements</td>
<td>12</td>
</tr>
<tr>
<td>Advertising</td>
<td>12</td>
</tr>
<tr>
<td>Sales Promotion</td>
<td>12</td>
</tr>
<tr>
<td>Personal Selling</td>
<td>13</td>
</tr>
<tr>
<td>Public Relation</td>
<td>14</td>
</tr>
<tr>
<td>Modern Promotional Tools</td>
<td>15</td>
</tr>
<tr>
<td>Promotional Techniques</td>
<td>15</td>
</tr>
<tr>
<td>Promotional Strategies</td>
<td>16</td>
</tr>
<tr>
<td>Communication Process</td>
<td>17</td>
</tr>
<tr>
<td>Communication Channels</td>
<td>19</td>
</tr>
<tr>
<td>Integrated Marketing Communication</td>
<td>20</td>
</tr>
<tr>
<td>Definition Of Handicraft</td>
<td>21</td>
</tr>
<tr>
<td>The Importance Of Handicraft</td>
<td>22</td>
</tr>
<tr>
<td>History Of Kente Weaving And Wooden Carving</td>
<td>22</td>
</tr>
<tr>
<td>Ghana Export Promotion Council (Gepe)</td>
<td>23</td>
</tr>
<tr>
<td>Operation Of The Ghana Export Promotion Council</td>
<td>24</td>
</tr>
<tr>
<td>Export Incentive Schemes</td>
<td>25</td>
</tr>
<tr>
<td>Export Financing</td>
<td>26</td>
</tr>
<tr>
<td>The Private Enterprise Export Development Fund (Peendf)</td>
<td>27</td>
</tr>
</tbody>
</table>
The Exporters Development and Investment Fund 27
Education for Exporters 28
Registration of Exporters 28
Importance of Exports 29
The Non Traditional Sector 39

THREE METHODOLOGY
Introduction 32
Research Design 32
Population 33
Sample size 33
Sample Technique 34
Data collection methods 34
Data Analysis Technique 35

FOUR ANALYSIS AND INTERPRETATION
Introduction 36
Sources of Information/Data Collection 36
Analysis of the Data 37
Producers of Handicraft 37
Analysis of the exporters of the handicraft products 38
Analysis of the staff of GEPC 41
Discussions and Interpretation 43
SWOT analysis of handicraft products 45
FIVE Summary, Conclusion and Recommendation

Introduction 46
Summary of findings 46
Conclusion 48
Recommendations 48

BIBLIOGRAPHY 52

APPENDIX I Questionnaire for producers 53
APPENDIX II Questionnaires for exporters 55
APPENDIX III Questionnaires for staff(GEPC) 57
LIST OF TABLES

Table 1: Export performance of Non-traditional by sub-sectors 37
Table 2: Number of People Interviewed 37
Table 3: Level of Education of produces of Handicrafts of both Kente and Wood Carving 40
Table 4: Values of NTEs to categories of destinations 41
Table 5: Total Export performance of Non-traditional for the past five years 41
Table 6: Performance of three sectors of Non-traditional export earnings 42
Table 7: Performance of the Handicrafts over the past five 45
LIST OF FIGURES

Figure 4.1 Performance of NTE Sector by Market (Destinations) 39
CHAPTER ONE

BACKGROUND OF THE STUDY

1.1 INTRODUCTION

The effect of economic recession coupled with low productivity has slowed down economic growth and development in Ghana. Until the establishment of Ghana Export Promotion Council, Ghana relied heavily on traditional commodities such as raw Cocoa, Timber, Minerals and Electricity for export to enhance economic and social development. These commodities have contributed a lot when it comes to foreign exchange revenue generation. Despite, the traditional commodities immense contribution to the Ghanaian economy, they could not meet all the infrastructural needs that would ensure economic growth of the nation and the same time settles external debts. The country therefore has the problems of balance of payment deficit. For the country to survive in the face of economic recession and fluctuation in the world market prices, the government called for export expansion by looking for alternative commodities to support the economy in a form of diversification.

In view of this, the Ghana Export Promotion Council (GEPC) was established in 1969 to streamline the affairs of export of non-traditional products in the country. The council is an authority on the export of products in the non-traditional sector. This necessitated the need to find the role of promoting handicraft products as non-traditional commodity to support Ghana’s effort to generate the needed foreign exchange through trade to speed up development and also diversify the economy, create employment and obtain foreign exchange earnings. The
government intended to make export more attractive and lucrative by developing specific policy measures in the budget by instituting limited incentives like income tax rebate, export bonuses, automatic renewal of import licenses and waiver of local taxes on exports to boost the industry. Export in Ghana is growing at a faster rate and has therefore assumed a greater role in the Ghanaian economy in terms of the above mentioned factors. In spite of the efforts being made to raise export to its present level, much still needs to be done to explore every opportunity in this potential sector.

1.2 HISTORY OF HANDICRAFT INDUSTRY IN GHANA

The Ghana handicraft industry has been in existence for centuries. It was started by our forefather as artistic works and it was economically dependent for them. Their products which included wood carvings, kente products, traditional music instrument, precious jewelry, earthware bowls, hides and skins, beads, cane products, imitation jewelry were used as decorative pieces and as a sign of tracing their history. It was taken as sacred symbol used to communicate to the subjects as well as the protection of the chieftaincy administration. This has continued from generation to generation and mostly revolves within the families that have historical elements with handicraft products.

Even though, the industry has been in existence for long-time its contribution to the social economic development is very low. This has lead to the formation of Handicraft Association in Ghana. The association was established in 1987 to ensure the promotion of handicraft products for both local and international levels. This came as a result of export diversification programme being implemented by the government. It was formed to assist the government for effective
implementation of the programme. The government also established the Ghana Export promotion Council to ensure the success of export diversification. The non-traditional commodities which handicraft is one has become an alternative commodities to support economic growth.

Therefore the handicraft association has their broad programme to develop their supply base and also make a great contribution in the market

1.3 STATEMENT OF PROBLEMS

Marketing activities of many products have become a problem in which the non-traditional commodities cannot be left out. The promotion of the industry has been necessary as a result of the following:

i. The industry has been in existence for long time but its contribution to the growth of the country’s development is not very significant.

ii. The government decision to promote the private sector especially handicrafts production by establishing GEPC to contribute to the development of the country has not been successful. This is because, GEPC has not been able to provide requisite training, conducting research and development through international marking and granting credit schemes to the operators in the industry to motivate them to increase their outputs.

iii. Tourists interest in kente and wood carving has declined at the international market recently due to lack of good finishing and functionality.

iv. Further, the growth of the industry is very low due to lack of marketing communication between sellers and potential buyers.
Therefore it has become imperative that the producers in the industry have to mobilize resources to promote the selling activities of their products. Admittedly, even though the promotion of handicraft products is difficult and costly, it will encourage customers to patronize the products through the use of marketing communication services. The marketing activities need to be examined or given a better look in support of non-traditional commodities.

1.4 RESEARCH QUESTION

The study attempts to set the following questions for the work:

i. What has been the performance trend of the handicraft as against other sectors for the past five years?

ii. What are the effective marketing communication tools to promote the industry?

iii. What are the strategic marketing activities available to be employed to make the handicraft products become more appealing in the international markets?

iv. What entrepreneurial skills and support needed to boost the handicraft industry in Ghana?

1.5 OBJECTIVES OF THE STUDY

Promotional mix is a fundamental instrument that plays an important role in any successful modern business. The objectives of the study can therefore be outlined in the following ways.

i. To review handicraft promotion activities in Ghana.

ii. To identify possible marketing services the industry can adopt to promote handicraft products in Ghana.
iii. To find out how handicrafts producers can find market for their products in the international market.

iv. To identify the required training and skills needed by the operators in the handicraft industry to increase their output in most efficient and effective manner to meet international standards.

v. Based on the findings, recommended promotional tools that will improve the operation of the industry.

1.6 SIGNIFICANCE OF THE STUDY

Exporting is important for all countries particularly developing countries, since it brings the foreign exchange needed for development. Ghana relies on few traditional commodities for export. This has called for export expansion by looking at alternative commodities to support economic growth. Increase in the inflow of foreign earnings facilitate the economic development and improve the balance of payment position.

The few traditional commodities for export do not bring in the needed foreign exchange which is vital for economic development. Of late, it has become the government policy to enhance private sector participation in economic activities for economic development. The promotion of the sector is crucial to the total development of the country. Most of the non-traditional commodities are of much interest to foreigners since they serve as decorative pieces and as a sign of tracing the history about Africa Art and Craft.
The essence of the study stems from the fact that the earnings from export of traditional commodities alone cannot generate adequate foreign exchange for development. In addition, the sector has become vulnerable because of fluctuations in the world market prices which cannot be dependent to sustain economic growth. This has necessitated the need to find the role of promoting handicraft products as non-traditional commodities can support Ghana’s effort to generate the needed foreign exchange through international trade to speed up development.

1.7 SCOPE OF THE STUDY

The concept of promotion is very complex in nature and may call for different managerial decisions based on the industry’s objectives. To make this study meaningful, the market survey has restricted on the promotional activities of the handicraft industry in Ghana. The area selected for the market survey is limited to Kwabre District in Ashanti Region which includes Adanwomase, Bonwire, Ntonsu and Ahwiaa.

Handicraft products comprise of many varieties but the study coverage concentrates solely on Kente weaving and Wood carving. The study covers handicraft performance from the period 2005 to 2009.

The scope of the study therefore, is the need to develop unique marketing technique that will stimulate customers demand for handicraft products in Ghana and abroad.
1.8 LIMITATION OF THE STUDY

We would have liked to cover as many varieties of handicrafts as possible, but due to financial constraints and suspicion from the producers, it was not possible to do so. The major challenge that confronted us was no response. During interviews, both producers and exporters especially, were reluctant to give out data or information on their operations. The above limitations however, did not affect the quality of the research.’

1.9 ORGANISATION OF THE STUDY

The study covers five chapters in all. The first chapter is an introductory part of the study which covers the nature of the problem, scope of work, approach of the research, the historical background of the industry and the limitation of the study.

The next chapter also covers the literature review on the prospects of promotional activities in the handicraft industry. The third chapter concerns about the methodology of the study. The fourth chapter covers the actual analysis and finding of the study. The last chapter concludes the work and the recommendations of the study.
CHAPTER TWO
LITERATURE REVIEW

2.1 INTRODUCTION
This chapter starts with the review of related literatures that discusses contributions made by other writers in the field of handicrafts. It continues with the meaning and the role promotion plays in the marketing mix. After that, critical look at the promotional elements, promotional techniques, strategies as well as integrating promotional mix in the promotion of handicraft products and developing promotional plans. The next, is the definition of handicraft and its importance from both cultural and economic point of view. This chapter also through light on the functions of Ghana export promotion council. The chapter ends with performance of non-traditional exports according to Ghana Export Promotion Council statistical report.

2.2 REVIEW OF RELATED LITERATURE
The current review of related literature is beneficial because it intends to help the researcher and other readers to be sure of what previous writers have so far covered, or not, on the subject being investigated in this bachelor degree research. Knowing what previous writers have covered is especially beneficial to the researcher because it will reveal the uncovered grounds where the current research should be directed, to enable us to contribute significantly to the growth of knowledge in the handicraft industry. The present review is also important because in the process of searching through literary works, the researcher will acquire more research techniques and uncover new problem solving methods that can be applied to resolve new problems that may be encountered in the current research.
The review will further help to reasonably compare and contrast the new findings with old documentary materials to enhance this bachelor degree research. Moreover, this review is particularly advantageous because it will enrich the researcher’s skills in the production of handicrafts.

Many studies have identified village crafts as a link with the ancient past (Karve, 1952, Kamala, 1958, Aruna, 1959 and Khosla, 1959). To support the significance of handicraft in preserving tradition of a country, (Munshi 1970) argues that only through promoting handicrafts a nation could initiate measures to conserve its social structure, holding its traditional values (Munshi, 1970).

Attempts were also made to identify the importance of village crafts in the socioeconomic development of rural communities to whom the production of this industry belongs. (Metha 1958) observed that these artisanal units are the integral part of rural economy which generates employment for several rural youths. Opposing the binding up of modern industries, the contribution of rural industries to economic and social sector was also propagated by (Bedi 1958, Roston 1963, Rava 1965, Myrdal 1968, Rao 1970, Peter 1971, Jaya Prakash 1972, Deshpande 1984, Streefkerk 1985 and Rao 1986, Menon1986.)

Considering the significance of rural craft industries in the micro and macro economy, few attempts appear to have been made to explore the market potentials of these products. Study by (Uma 1965), on the existence of wide disparities in market opportunities between urban and rural products complaints on the inability of village artisans to penetrate external markets competing with machine made urban crafts (Uma, 1965). Uma’s arguments are corroborated by the finding
of a study on relative significance of strategic marketing for small enterprises by (Keplan, 1977, Nurkse1954) explores the economic conditions of village craft industries of various states and opines that this sector is under the threat of a vicious circle of un-development. He identifies that with low productivity, low income and low investment, this vicious circle heads to market failures (Nurkse, 1954). To support the above argument, (Thaimani 1987 and Dak, 1989) list out reasons for the failure of village crafts such as poor designs, low quality materials and inefficient market approaches. Consequently, these weaknesses are exploited by machine made urban craft units, who apparently lockout village crafts from global markets (Digbey, 1960, Sanjay, 1988 and Luckose 1992). Eventually, with the passage of time, the intensified competition urged rural enterprises to look for plausible and flexible solutions to reach global markets (Ram, 1971, Gundiff, 1972, Manzoor 1975, Thambi 1975).

Appraising the above issues, the studies by (Prajapati 1986 and Laila 1994) on diversity marketing in craft industry, recommend regular market survey to compile market information to design workable solutions to solve market problems (Prajapati 1986 and Laila, 1994). Lack of market awareness is the main obstacle for any village enterprises to put up their products in urban markets (Thaimani, 1987). In addition the summary of the aforementioned reviews highlight the existence of information gap in understanding what the customers demand and what the artisans have in hand to offer. Obviously, a quantitative marketing, an information-based marketing approach used to satisfy customer expectations, is essential to study and update knowledge on market changes for handicraft products. However, even if the aforementioned reviews suggest strategic measures to improve markets for village crafts, often supply of scattered, insufficient and unsystematic data on production and
sales, will be the major obstacles for them to develop quantitative marketing strategies (Florence, 2005)

From the foregoing review, apart from (Munshi 1970), it looks as if the attention of many contributors has not been drawn to promotion or marketing communication as one of the major elements in the marketing mix that can help to boost the handicraft products. Although the researchers of this work agree to the opinions of Munshi that it is through promoting of handicraft that can conserve the social structure of a nation, their belief is that promotion goes beyond that especially when it comes to handcraft production. It is said that communication is the life blood of every business organization of which handicraft industry cannot be left out. It should be noted that without promotion / communication other “Ps” in the marketing mix cannot function effectively. It is against this background that the writers of this research deem it important to embrace promotional element in the handicraft production in Ashanti region.

2.3 THE MEANING OF PROMOTION

Promotion is defined as communicating information between seller and potential buyer or other in the channel to influence attitude and behaviour (McCarthy and Perreault, 1993)

Promotion plays a vital role in the marketing mix by informing potential customers about a company and its products. The other functions performed by promotion include stimulating demand, differentiating products, countering the promotional efforts of competitors, responding to negative news about the company or its products, smoothing demand fluctuations, persuading decision makers and influencing public behaviour (Bovee and Thill, 1992).
The demand for handicraft products in Ghana and international markets has declined as a result of lack promotion for the products to persuade and influence public behavior to make effective demand.

2.4 PROMOTIONAL ELEMENTS

A combination of two or more promotional elements to pursue a marketing objective is known as promotional mix. The major elements of selling efforts of a company are advertising, sales promotion, public relations and personal selling (McCarthy and Perneault 1993).

2.4.1 Advertising

“Advertising is paid-for, non-personal communication with a target audience through the mass media with the purpose of achieving set objectives of the organization” (Dibbo, et al 1997). Every industry company choose a unique promotional mix, depending on its objective, capabilities and markets. Advertising has a crucial role to play for an organization as it helps to stimulate demand for a company’s product. Effective advertising of handicraft products in Ghana through radio and TV will give new image of handicrafts to achieve its objective by stimulating demand.

2.4.2 Sales Promotion

Sales promotions are those marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealers effectiveness such as displays, shows and exhibitions, demonstrations and various non-recurrent selling efforts in the ordinary routine
(Kotler, 2008). They provide short term consumer purchases. These promotional activities are
embarking on:

Employing sales promotion as promotion tool for handicraft products would be difficult for both
producers and intermediaries since it is cost effective. But we believe its implementation can
have tremendous positive impact in the handicrafts production. The following can be some of the
benefits that could be derived if it becomes fully operational in handicraft sector:

i. To increase awareness and interest among target audiences.

ii. To provide incentive for consumers to make a forward purchase of the brand in terms
of the rivals products especially competing brands on imported products in Ghana.

iii. To increase sales in a short term

iv. To increase displays space allocated to product on the shelves.

v. To given additional information through the point of sales display.

2.4.3 Personal Selling

Personal selling is defined as interpersonal contact in the course of transaction. It is one person
making a sales presentation to another person or to a group of potential buyers (McCarthy and
Perreault 1993). The audience for personal selling can be consumers, organizations or marketing
intermediaries. In other words it is face-to-face communication to customers with the intent of
making an immediate sale. Personal selling plays a vital role in an organization as it contributes
to a relatively high level of customer attention. Since, in face-to-face situations, it is difficult for
a potential buyer to avoid a sales person’s message it enables the sales person to customize the
message to the customers’ specific interest and needs. The two-way communication nature of
personal selling allows immediate feedback from the customer so that the effectiveness of the message can be ascertained.

One of the most effective promotional tools for handicrafts products is personal selling. This is because during personal selling customers’ questions regarding the products could be answered and it can induce purchase hence, the industry will grow.

2.4.4 Public Relation

According to the institute of Public Relations, Public Relation is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its public. It is a non-personal communication is news story form about an organization and its products that is transmitted through a mass medium without a charge paid. The public relation helps to create good image of the organization and to generate publicity as well as support sales. It is also used to remove certain doubts about the organization and its products.

Handicraft production in Ashanti region cannot grow without the use of public relation to create good image for our rich heritage culture that form basis of the production. If the stakeholders in the handicraft industry get support from the government backed by effective public relation activities, there will be mutual understanding between the industry and the public. Both Ghanaians and the international markets should be educated about the significance of wearing some handicrafts such as kente in special occasions.
2.5 MODERN PROMOTIONAL TOOLS

The world has become a global village as a result of technological breakthrough. The dynamic nature of the environment has brought a modern promotional tool like internet and direct marketing which uses telephone, mail, fax, e-mail and other non personal contacts tools to communicate directly with or solicit a direct response from specific customer and prospects. It helps to generate orders and qualify prospects for sales call. It also helps to make follows-up sales as well as announce special or localized sales and raise funds (Kotter, 2008).

Handicrafts industry can embark on e-commerce to make their products more appealing in the international markets and reinforce demand in order to increase and enjoy economies of scale.

2.6 PROMOTIONAL TECHNIQUES

This aspect of the study aims at taking a critical look at the broad range of promotional tools and to provide some guidelines for choosing the most appropriate tools for promotion. Like any set of tools, the effectiveness lies in the ability to select and apply the right tools for the particular task in hand.

Moreover, companies must consider several factors in developing their promotion mix. These consist of the type of product market in which they are selling whether use a push or pull strategy, how ready consumers are to make a purchase, the product’s stage in the product life cycle, and the ranking of the company’s market. However, the promotional tool utilization varies between consumer and industrial markets.
In the consumer market, companies spend more on sales promotion, advertising, personal selling and public relations (Kotter, 2008). For instance, in the fast moveable consumer goods (FMCG) need a lot of advertising and relatively smaller personal selling efforts. It is also important to note that well trained FMCG sales persons can sign up more dealers to carry out the sales of a particular brand and convince them to give them more shelves spaces with reference to use special displays and promotion.

On the contrary in the business market, business-goods companies spend more on personal selling, sales promotion, advertising and public relations in that order. Although advertising is less important than sales promotion in the industrial markets, it still plays an important role and cannot be relegated to the background in certain circumstances.

2.7 PROMOTIONAL STRATEGIES

There are two contrasting promotional strategies that a company can adopt for promotion. These are push and pull strategies. The promotional mix is heavily influenced by whether the company is to choose a push or pull strategies to generate sales.

A push strategy involves manufacture marketing activities directed at channel intermediaries. The goal is to induce the intermediaries to order carry the product and promote it to end users. This strategy is especially appropriate where there is low brand disloyalty in a product category. A pull strategy on the other hand, involves marketing activities which are primarily, advertising and consumer promotion directed at end users. The purpose is to induce them to ask intermediaries for the product and thus induce the intermediaries to order the product from the
manufactures. This strategy is especially appropriate when there is high brand loyalty and high consumer involvement in the product category (Bovee and Thill, 1992). Ashanti handicraft can adopt push strategy to sell its products to the intermediaries.

2.8 COMMUNICATION PROCESS

To communicate effectively, marketer needs to understand the fundamental elements underlying effective communication. The Communication process consists of nine elements which include sender, receiver’s message, media, encoding, decoding, responses, feedback, and noise. To get the message through the marketer must encode the message in a way that takes into account how the target audience usually decodes message. They must also transmit the message through efficient media that reach the target audience and develop feedback channels to monitor the receivers’ response to the message (Kotler 2008). The audience may not receive the message sue to selective attention, selective distortion, or selective recall. Developing effective communications involves eight step.

i. Identify the target audience

ii. Determine the communication objectives

iii. Design the message

iv. Select the communication channels

v. Establish the total promotion budget

vi. Decide on the promotion mix

vii. Measure the promotions result and manager and coordinate the integrated marketing communication process.
In identifying the target audience, the marketers need to perform familiarity and favourability analyses, then seek to close any gap that exists between current public perception and the idea perception. Having known the problems the marketer must develop the objectives to satisfy them by coordinating the entire communication process.

Having defined the desired response the communicator moves to developing one effective message. Ideally, the message should gain attention, hold interest, arouse desire, and elicit action (AIDA Mode). The AIDA framework suggests the desirable qualities any communication.

To communicate effectively, a communicator must select efficient channels of communication to carry the message. In many cases, many different channel must be used, these include placing journal ads, sending mail, passing out free samples and even telemarketing.

One of the most difficult marketing decision facing companies is how much to spend on promotion. Companies also face the task of distribution the total promotion budget over the five promotional tools – advertising, sales promotion, public relations and publicity, sales force, and direct marketing within the same industry, can differ in how they allocate their promotional subject. After implementing the promotional plan the communicator must measure its impact on the target audience. This involves asking the target audience whether they recognizer or recall the message, how many times they saw it, what points they recall how they felt about the message, and their previous and current attitudes towards the product and the company.
With reference to handicraft products promotion, communication message must be clear for both the producers and prospective customers. For example if the inscriptions on the handicraft products for export are not written in simple language that the target market can understand, they would not buy the products. Similarly, there will be problem of marketing communication for the producers especially when a tourist comes to and wants to buy some of the handicraft products from illiterate producers who cannot communicate in English language. This is because the seller cannot explain the benefits and significance of the product in a way that will influence buyer so far as the AIDA model is concerned.

2.9 COMMUNICATION CHANNEL

The communicator must select efficient channels of communication to carry out the message. The channels are of two board types – personal and non personal.

Personal communication channel, involves two or more people communicating directly with each other (Kotler, 2008). They communicate face-to-face, on the telephone, or through the mail. It is very effective because they allow for personal addressing and feedback. Personal communication may be controlled directly at time by the company. For example, sales personnel contact the buyer in target market for the sale of their products. This method of communication channel also gives the company the opportunity to enter into personal contact with its buyers and make their customer feel very important.

Non-personal communication channel carries message without personal contact or interaction. For example, public relations department can arrange news conference, grand opening show and
exhibition, and sport sponsorships to achieve specific communication task with a target audience. Public relation activities are very important tools in non-personal communication which have the effect on the buyers directly.

2.10 INTEGRATED MARKETING COMMUNICATION

Many companies still rely on one or two communication tools to achieve their communication aims. This practice persist inspite of the fragmenting of mass market into a multitude of mini markets, each requiring its own approach, the proliferation of new types of media, and the growing sophistication of consumers. The wide range of communication tools, message and audiences make it imperative that companies move toward integrated marketing communications. Integrated Marketing Communication (IMC) of as defined by the American Association of Advertising Agencies is a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a of a variety of communications disciplines for example, general advertising, direct response, sales promotion and public relations-and combines these disciplines to provide charity, consistency and maximum communications impact through the seamless integration of discrete messages (Kotler, 2008).

Integrated marketing communication does produce stronger message consistency and greater sales impact. It gives some one responsibility where none existed before to unite the company’s brand images and messages as they come through thousand of company activities. The IMC will improve the company’s ability to reach the right customers wit the right messages at the right time and in the right place.
So for effective marketing communication for handicraft products, there is the need to integrate some of the promotional tools to reach both domestic and international target markets.

2.11 DEFINITION OF HANDICRAFT

Handicrafts are unique expressions and represent a culture, tradition and heritage of a country. The Handicraft Industry is one of the most important productive sectors of non-traditional exports in Ghana. Various attempts have been made to define this broad and diversified industry. The following definition strives to cover diversity and complexity of handicraft products.

Handicrafts can be defined as products which are produced either completely by hand or with the help of tools. Mechanical tools may be used as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. Handicrafts are made from raw materials and can be produced in unlimited numbers. Such products can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant. Handicraft, more precisely expressed as artisanal handicraft, sometimes also called artisan, is a type of work where useful and decorative devices are made completely by hand or by using only simple tools. It is a traditional main sector of craft. Usually the term is applied to traditional means of making goods. The individual artisanship of the items is a paramount criterion; such items often have cultural and/or religious significance. Items made by mass production or machines are not handicraft goods.

(Wikipedia encyclopedia, 2011)
2.11.1 The Importance of Handicraft

Handicrafts play a very important role in representing the culture and traditions of any country or region. Handicrafts are a substantial medium to preserve rich traditional art, heritage and culture, traditional skills and talents which are associated with people’s lifestyle and history.

Handicrafts are hugely important in terms of economic development. They provide ample opportunities for employment even with low capital investments and become a prominent medium for foreign earnings.

2.12 HISTORY OF KENTE WEAVING AND WOODEN CARVING

Information gathered from Adanwomase, Ntonso and Bonwire, all are Kente weaving centres in Ashanti Region revealed that kente weaving has been in existence since 1697. It originated from Bontuku, a trading centre in northern Cote D’Ivoire. According to Akan traditional protocol, Kente is reserved for very important and special social or religious occasions. Originally, it was not meant to be used for commonplace daily activities or as an ordinary wear. Its use for making clothing accessories was limited to items deemed scared or special and were used only for special occasions. In many cases the use of Kente has a sacred intent. It may be used as a special gift item during such rites and ceremonies as child naming, puberty, graduation, marriage and soul-washing. It may also be used as a symbol of respect for the departed souls during burial rites and ancestral remembrance ceremonies. Its significance as a symbol of prestige, gaiety and glamour is evident during such community celebrations as festivals and commemoration of historical events, when people proudly wear the best of their Kente Cloths to reflect the spirit of the occasion.
Similarly, wood carving also originated from Denkyira in the central region. According to the elders whom we interviewed informed us that the Ashanti captives who returned from Denkyira came to introduce the wood carvings to the then Ashanti King who showed appreciation in their crafts and said “mo me hwia ha” which literally means come and lodge here. This brought about the name Ahwiaa as their place of settlement. So they settled there and started production of stools for the Ashanti kingdom. Due to that the king allocated Manpong valley where they could fell trees for their activities. A few years later, public developed interest in stools and they began mass production for them.

2.13 GHANA EXPORT PROMOTION COUNCIL (GEPC)

The Ghana Export Promotion Council (GEPC) is an autonomous body established by NLC Decree 396 of 1969. It is the national agency established for export development and promotion working under the auspices of the Ministry of Trade and Industry. The council is manned by a well trained professional staff, and it also has the authority to promote the export products in the non-traditional sector (Ghana Export Promotion Council).

The contribution to the council towards the development of this sector is significant. The council’s goal is to ensure that the national export diversification and promotion drive succeeds. In pursuance of this goal, the council engaged in an extensive scope of activities which include.

i. Development of national export awareness

ii. Identification of products with export potential and location of market for them.

iii. Creating goodwill for Ghanaian products through overseas and local fairs and exhibitions.
iv. Providing exporters with the necessary assistance for penetrating the competitive international market.

v. Organizing market missions to enable Ghanaian exporter meet prospective overseas buyers.

vi. Assisting businessmen traveling abroad with information on the target markets.

vii. Providing advice export marketing to exporters.

viii. Training exporters and personnel of export facilitating institutions to upgrade their skill in export marketing.

ix. Recommending to government the necessary assistance and incentive needs by the Ghanaian exporter.

On the contrary, the study reviewed that the above functions expected to be performed by GEPC could not be achieved especially with regards to the handicraft products. The sector was to find foreign markets for the handicraft producers by feeding them with the international market needs, providing training needs for the handicraft association as well as the staff, but all these have not been realised. As result, the industry has not been able to produce to its full potential capacity.

2.14 OPERATION OF THE GHANA EXPORT PROMOTION COUNCIL (GEPC)

The Ghana Export Promotion Council offers various information services to the general public. The council has well-stocked library as a source of useful information on export products, markets, marketing systems and mechanisms, quality requirements and packaging. This library is open to the public on all working days. The library scans publication receives from abroad and
calls relevant information for dissemination to exporters. It offers technical assistance to exporters.

Foreign businessmen find the council a very reliable source of business information on Ghana. The staff offer counseling to exporters on a wide range of issue including product development, adapting, handling, preservation, packaging, pricing and shipping which in totality, ensure effective market penetration.

The council assists exporters to locate foreign buyers for their products, using well established channels such as the Ghana Missions and Trade Commissioners abroad, foreign Missions in Ghana and Trade promotion organizations Worldwide. It also helps in the facilitation of trade. In order to make the process of exporting easier for non-traditional exporters, the council liaises closely with all export related agencies in Ghana to streamline procedure and documentation. Some of these agencies are the Ministry of trade and Industry, Bank of Ghana, Custom Excise and preventive Service, Internal Revenue Service, Ghana Ports and Harbours Authority and freight carries.

2.14.1. Export Incentive Schemes

The council, in close collation with the Ministry of Trade and Industry, plays a crusading role in the establishment of incentive schemes for exporters some of which are as follows:

a. Export proceeds Retention Scheme. This scheme allows exporters to exchange all (i.e 100%) foreign exchange proceeds from non-traditional exports’ into cedis at competitive rates negotiated with the exporters bankers.
b. A corporate tax rebate. This concession allows any manufacturer or any person engaged in agricultural production, exporting part or all of his production, to claim tax rebate between forty and seventy-five percent of his tax liability.

c. A custom Duty Drawback. This package allows exporters to drawback up to hundred percent (100%) of duties paid on materials imported to produce goods for export.

d. A Bonded warehousing. This incentive allows manufacturers to seek customs licence to hold imported raw materials intended for manufacturing for export in secured places without payment of duty.

e. Up-front duty exemption. This system operates alongside the duty draw back system and it enables exporters to enjoy full exemption of duty on imports intended to go into production for export.

Now the question is, are all the above schemes have been achieved? The non-traditional export sector consists of Agriculture, processed/semi-processed and the handicraft. Unfortunately, the attention of the stakeholders has been drawn to agriculture and processed/semi-processed to detriment of handicraft industry.

2.14.2 Export Financing

The Export Financing Company was established in 1990 with the initiative of government (Ghana Export promotion Council). This was established to streamline and institute a comprehensive export financing scheme. Initial, export financing company was operating only pre-and post – shipment credit schemes. It is however, expected to cater for all aspects of activities related to the exports from shipment through Export Credit Guarantee, Export Export Refinance and Direct Exports Financing Schemes. This was to help the handicraft exporters to
sell their product at the international markets. Unfortunately, the above facilities exist in the books of the GEPC but they are not working. As a result the handicraft producers suffer financially to sell their goods at the international markets.

2.14.3 The Private Enterprise Export Development Fund (PEENDF)

The Private Enterprise Export Development Fund (PEEDF) was a US$ 34 million World Bank Credit facility established and administered by the Bank of Ghana to provide up to 75% credit guarantee for export related loans obtained from participating banks. Since the World Bank’s support for the fund officially ended in 1998, the fund has now become a revolving fund which is available for lending to non-traditional exporters.

Ironically, the fund is not available for real non-traditional exporters especially handicraft exporters as result of political intervention. The credit facility is now for party activists leaving the handicraft producers.

2.14.4 The Exporters Development And Investment Fund

The Export development and investment fund Act 582 was passed on 1st September, 2000 to provide short, medium and long-term funding for the development and promotion of exports (Ghana Export promotion Council). Its specific objectives are:-

i. Development and promotion of products for exports.

ii. Capacity building, market research, and development of infrastructure.

iii. Export Trade oriented activities of institutions and bodies

iv. The provision of credit, export insurance re-financing and credit guarantee.

v. Development and promotion of other entrepreneurial activities.
Unfortunately, the operation of the EDIF was to make funds available for people who produce on large scale for export. Before fund is given out, the prospective exporter has to be assessed of his/her credit worthiness. As a result of this many handicraft exporters are unable to benefit from it. This has paved way for other financial institutions such Eximguarantee to find ways and means to assist producers who do not qualify the EDIF by serving as collateral security for ordinary bank loan.

2.14.5 Education for Exporters.

The Ghana Export promotion Council recognizes the critical important of training as a tools for enhancing the capabilities of the exporting community. The council has therefore established the export school to develop training programmes covering production, procession, marketing, packaging procedures and documentation and all other aspects of the export trade. The training programmes are delivered through seminars and workshops using both local and foreign experts as resource persons. In recent times, the council has collaborated with private sector training institutions in upgrading the skills of the exporters.

2.14.6 Registration of Exporters.

The Ghana Export promotion Council Registers commercial exporters in the country and the objectives of the registration exercise are as follows:

i. To build a database that will facilitate the collection op up-to-date information on exports and exporters for the provision of appropriate assistance programmes both national and international for export companies.

ii. To match exporters with foreign buyers and other business interests.
iii. To monitor the performance to exporters for purposes of export support schemes, awards and selection and recommendation for other enhanced facilities incentives provided by Ghana Export promotion Council and other export related institutions.

iv. To be given due regard to recognisable and reliable export companies to be carried in national export drive programmes.

v. To provide the basis for strengthening private sector product associations.

2.15 IMPORTANCE OF EXPORT

Exporting more tend to attract more investors according to the World Bank. Another important deriving from exports in arresting is the declining rate of the Ghanaian cedi. Gross Domestic product also increases with the view of boosting the supply base of the domestic products and more so improving our foreign exchange earnings. These foreign earnings will help servicing our deficit so as to borrowing more from the donor countries.

Exporting also increase our capitals goods, improves our technological and infrastructural base for the development of the nation. Exporting also increases the level employment opportunities and most especially, it enhances individual entrepreneurial capabilities. Export also lead to specialization on a particular product which the country is capable of producing and hence leads to comparative advantage over the other countries.

2.16 THE NON TRADITIONAL SECTOR

The nontraditional sector comprises of three main areas which are Agriculture, Processed and semi-processed products and Handcrafts According to a report from Ghana Export Promotion
council made available the National earnings from the sector had shown positive growth over the past three (3) years. The sector has grown from $2.74 billion in 2004 to $4.19 billion in 2007 representing 53.08% growth over the 2004 figures.

Within the same period from 2004 to 2007, the non-traditional total export rose from 26.14% in 2006 to 27.76 in 2007.

Although, the current years under review 2007 -2009 follows the general trend of increase in Non Traditional Export earnings, however the handicraft industry has not seen much improvement. This has called for the study to promote the industry.

**Table 1. Shows the Export Performance of Non-Traditional by Sub-Sectors (2005 verse 2006)**

<table>
<thead>
<tr>
<th>Sub-Sector</th>
<th>2005 (US $ Millions)</th>
<th>2006 (US $ Millions)</th>
<th>Percentage (%) Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handicraft</td>
<td>20.88</td>
<td>4.49</td>
<td>-78.5</td>
</tr>
<tr>
<td>Agriculture</td>
<td>151.86</td>
<td>177.5</td>
<td>16.88</td>
</tr>
<tr>
<td>Processed/Semi Processed</td>
<td>604.84</td>
<td>710.89</td>
<td>17.53</td>
</tr>
</tbody>
</table>

*Source: GEPC satirical report 2007*

From the above the performance of both Semi Processed/Processed and Agriculture sub-sectors grew positively by 17.53% and 16.88% respectively over the 2005 earnings. However, the handicrafts sub-sector recorded a negative growth of -78.5% in 2006 over 2005 earnings. The reason for the decline was that major buyers of Ghanaian crafts in the USA turned to the Far-
East, especially Indonesia, India, China for handicraft supplies with relatively good finishing and functionality. (Source: Non-Traditional Export Statistics Report 2006 page 8)
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 INTRODUCTION
The chapter discusses the method employed to gather the data for the study. This include research design, population, sample size, sampling techniques, data collection methods and data analysis used for the study. Form meaningful research, we gathered information on Kente weaving and wooden carving in Ashanti region.

3.2. RESEARCH DESIGN
A mixture of quantitative and qualitative research technique was used to collect data from respondents but the emphasis was on qualitative research approach because most of the data collected were in the opinions of issues at hand. The approach helps the respondents to express their feelings on the issued researched into. It also gives insight on how the respondents react and behave on issues before them. On the other hand, quantitative approach was used because we wanted to know the number of responses that fall under one category, and it also examines the cause and effect of relationship as to why they think a particular issue leads to a problem. Both primary and secondary source of data were used to collect data. Also, descriptive approach was used. Under this approach, the emphasis was on the frequency at which something occurs. The reasons were to find out the number of producers who produce to export, for intermediaries and those who produce for the local market based on certain pertaining factors. An approach used under this method to determine the rate at which things occur was the cross-sectional study which involved a sample of elements selected from the respondents who were measured at a
single point in time on a problem. The purpose of this approach was to describe the characteristics of certain group of handicraft producers based on their experience in the industry. Also it was to estimate the proportion of the employees in the handicraft group who behave in certain ways.

3.3 POPULATION

The population of handicrafts Association in Ashanti region is 850 members. Out of these numbers, 847 consist of handicraft producers and exporters. This consists of the number of people in the individual firms registered with the Ghana Export Promotion Council. The remaining three (3) are the staff GEPC in Kumasi.

3.4 SAMPLE SIZE

Out of the above population, 150 members were used as the sample size for the study which represents Kwabre District in Ashanti region. The focus of the study was on Kente weaving and Wood carving. So the numbers of Kente weavers interviewed were 80 and Wood carvers were 50. The exporters we interviewed were numbered up to 17 and the three (3) staff of GEPC was interviewed.

The interviewed was conducted at Bonwire, Ntonso, Adanwomase which are Kente weaving centres and Ahwiaa, the main wooden carving centre in Ashanti region. The GEPC staff was interviewed at their office in Kumase where we got a lot of information. They provided us with comprehensive of handicraft activities in Ashanti region.
3.5 SAMPLING TECHNIQUE

Both probability and non-probability sampling techniques were used to gather information. Under probability, simple random sampling was used. This was because there was no direct control on who to choose for the interview so everybody was given a chance. Under non-probability technique, we used cluster sampling because of the geographical locations of the handicraft producers. This assisted us to cover some producers from Ntonso, Bonwire, Adanwomase and Ahwiaa for the study.

3.4 DATA COLLECTION METHODS

Both questionnaire design and interviewed schedule were used to illicit data from the population. The techniques proved to be effective in collecting information. Under the questionnaire designed, open-ended and close-ended questions were structured to be answered by the respondents. Under the open-ended questions, respondents were free to reply in their own words, and subsequently with follow-up questions that seek elaboration. And the close-ended questions, respondents were provided with options to choose from. Open-ended and close-ended questions proved to be useful in the following ways.

i. It minimizes the cost of conduct the research.

ii. It clearly shows the sensitivity of several questions asked in the questionnaire.

iii. The flexibility of answers were in respondents own words.

iv. Respondents have adequate time to think before answering.

v. Interview schedule was also used to gather information from the three staff of GEPC. There was a direct, face-to-face conversation between researchers and the staff of GEPC.
The interview took place at their offices which was convenient. The method was useful because of the following reasons:

i. It was more appropriate for complex situation such as the case of special activities of the GEPC.

ii. It was useful in providing background information about the main reasons why GEPC is not performing.

iii. It was good in securing impressions on how GEPC can strategies to operate effectively.

3.5 DATA ANALYSIS TECHNIQUES

Data was analyzed, after the data collection forms had been scanned to make sure that the questions and their responses followed a sequence. This followed by editing and coding that made the data presentable to computer analyses. The final stage was the tabulations and pictorial presentations. Percentages and pie charts were used to illustrate all the data. The study also used narrations to analyze the data from the opinions of the respondents.
CHAPTER FOUR
ANALYSIS AND INTERPRETATIONS

4.1 INTRODUCTION
This chapter covers the findings and analysis of the study. It highlights how the researchers conducted the research as to the collection of both primary and secondary data needed for the attainment of the study’s objectives. The data collected are analyzed using statistical tools, backed by graphs, charts and other diagrams as well as narrations.

The main purpose for the study was to come out with information as to the most desired and practical promotional strategies that could move the industry forward in the competitive environment. The study is geared towards achieving best marketing services the industry can adopt to promote handicraft products in Ghana.

4.1.1 Sources of Information/Data Collection
Information of the study was gathered from both primary and secondary sources. Primary data was gathered for the study by interviewing the producers of the handicrafts, exporters and staff of Ghana Export Promotion Council for quality information for the problem at hand.

Secondary data was gathered for the study by securing information from Ghana Export Promotion Council statistical reports, Libraries, related websites on the internet as well as Medium and Small Scale industry reports.
4.2 ANALYSIS OF THE DATA

Table 4.2.1 Number of people interviewed.

<table>
<thead>
<tr>
<th>GROUP</th>
<th>NUMBER OF RESPONDENTS (TARGET)</th>
<th>NUMBER OF RESPONDENTS (ACTUAL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kente Weavers</td>
<td>80</td>
<td>73</td>
</tr>
<tr>
<td>Wood carvers</td>
<td>50</td>
<td>36</td>
</tr>
<tr>
<td>Exporters</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>GEPC Staff</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>150</td>
<td>126</td>
</tr>
</tbody>
</table>

*Source: Researchers field work, 2011.*

The above table indicates number of people that form the sample size of the study. The intended number of respondents was to be a total of 150; however, the actual respondents were a total of 126 which represents 84% of the sample size.

4.2.1 Producers of Handicraft

Table 4.2.1: Level of education of producers of handicraft of both kente and wooden carving.

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Respondents</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal education</td>
<td>50</td>
<td>45.87</td>
</tr>
<tr>
<td>Primary education</td>
<td>20</td>
<td>18.35</td>
</tr>
<tr>
<td>Junior High School/ Middle School</td>
<td>39</td>
<td>35.78</td>
</tr>
<tr>
<td>TOTAL</td>
<td>109</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Researchers’ field work 2011*
The above table portrays that illiteracy rate in the handicraft production sector is very high. This means the labor force there may be able to employ modern technology to such as computer Aided Designs in their operations thereby making the sector unattractive to the modern youth. The high literacy rate also implies that the government has to spend huge sums of money to train the producers in order to produces to suite the international market demand.

The information generated from the field shows that majority of producers of handicraft sell their products to the intermediaries, followed by local market, export and other markets. The research was used to probe the producers why they sell to the intermediaries more than any other market. It was revealed that they do not have special market centers like cocoa producers who can sell directly to the Produce Buying Company. This implies that the government should provide ready market for the handicraft producers.

This indicates that the stakeholders should make the sector more attractive to the youth else the next generation will not appreciate the need to involve themselves in this sector. Their main recommendation was that they government should assist them financially and also provide ready market for them. This means that their operations cannot be functional if especial attention is not given to the sector.

4.2.2 Analysis of the Exporters of the Handicraft Products

The analysis of the exporters reveals that both Kente weaving and wood carving have brighter future since the demand at the international market is on the increase but they face the competition of quality standard with regards to finishing of the products as against those from
India and other emerging nations. This implies that the handicraft production sector has a potential for growth. The attention of the government should be given since it generates enough revenue for the development of the Ghanaian economy.

**Figure 4.3: Performance of NTE Sector by Market (Destinations)**

The performance of the NTE sector by markets indicates that the markets of the European Union and ECOWAS absorb 47.03% and 27.18% respectively of NTE from Ghana. Other African countries, other developed countries as well as other countries including emerging or transitional economies/ market absorbed 2.82%, 11.07%, 11.90% respectively of NTE export from Ghana. This is shown in the chart above.

The above pie chart portrays the markets destinations for the handicraft products. Respective market destination implies that the exporters should conduct market research in such areas to know the characteristics and the needs of these markets so that they in turn will communicate to
the producers to produce according their specifications. It is after such research has been conducted that the Ghanaian handicrafts would see an increase in demand. This also is an indication that the GEPC should intensify its operations so far as the marketing research activities are concerned.

Table 4.3: Shows the values of NTES to categories of Destinations

<table>
<thead>
<tr>
<th>Markets</th>
<th>2005</th>
<th>2006</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECOWAS</td>
<td>243,953,543</td>
<td>242,689,210</td>
<td>(0.52)</td>
</tr>
<tr>
<td>Other African countries</td>
<td>18,746,191</td>
<td>25,210,576</td>
<td>34.48</td>
</tr>
<tr>
<td>European Union</td>
<td>368,706,315</td>
<td>419,882,938</td>
<td>13.88%</td>
</tr>
<tr>
<td>Other Developed countries</td>
<td>74,024,165</td>
<td>98,857,773</td>
<td>33.55%</td>
</tr>
<tr>
<td>Other countries</td>
<td>72,162,406</td>
<td>106,237,220</td>
<td>47.22%</td>
</tr>
</tbody>
</table>

*Source: GEPC Official Reports (2007)*

The above table indicates that the market values realized from European Union was highly significant. But apart from the ECOWAS sub regions, the value was very low. This implies that export sector should search for other market centers such US to increase handicraft exportation.

Our interactions with the exporters during the face to face interview revealed that their main competition in the international market is lack of good finishing and functionality. This shows that Ghanaian producers do not employ modern technology that will help to address such problems. The government should try to increase training of the handicraft producers.

The exporters recommended that the government should assist the handicraft producers to acquire modern technology to enhance their capacity of production with good finishing to meet international standards. Some of them also stressed that the government should increase their
credit facilities to enable them to meet international demand. The implication is that the credit facilities given to the exporters are not enough and should be increased to boost the sector.

4.2.3 Analysis of the Staff Of GEPC

Information gathered from staff of Ghana Export Promotion Council who have in depth knowledge of the operations of the handicrafts production and exports reveals the statistics of the non-traditional export performance as follows.

Table 4.4: Shows the Total Export Performance of Non-Traditional Sector for the past five years

<table>
<thead>
<tr>
<th>Years</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings in US Dollar ($)</td>
<td>777,592,619</td>
<td>892,877,717</td>
<td>1,164,512,129</td>
<td>1,340,945,295</td>
<td>1,215,040,897</td>
</tr>
</tbody>
</table>

*Source: Ghana Export Promotion Council (2010)*

The table above comprises of the three sectors of the non – traditional export performance. It includes Agriculture, Manufacturing/ semi processed and handicraft.

Table 4.5: Performance of the three sectors non-traditional export earnings

<table>
<thead>
<tr>
<th>Sector</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture Earnings in US$</td>
<td>151,860,000</td>
<td>177,500,000</td>
<td>197,237,890</td>
<td>187,621,229</td>
<td>150,859,274</td>
</tr>
<tr>
<td>Manufacturing In US $</td>
<td>604,840,000</td>
<td>710,890,000</td>
<td>963,477,776</td>
<td>1,149,999,125</td>
<td>1,061,907,600</td>
</tr>
<tr>
<td>Handicraft In US $</td>
<td>20,880,000</td>
<td>4,490,000</td>
<td>3,796,463</td>
<td>3,324,941</td>
<td>2,274,023</td>
</tr>
</tbody>
</table>

Table 4.6: Performance of the handicraft over the past five years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Handicraft Export Earnings in US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>19,082,231</td>
</tr>
<tr>
<td>2006</td>
<td>4,400,887</td>
</tr>
<tr>
<td>2007</td>
<td>3,796,463</td>
</tr>
<tr>
<td>2008</td>
<td>3,324,941</td>
</tr>
<tr>
<td>2009</td>
<td>2,274,023</td>
</tr>
</tbody>
</table>

Source: GEPC (2010)

From the above tables it is realized that the performance of semi-processed/processed and agricultural sub-sectors grew positively over the past five years. However, the handicrafts sub-sector recorded a decline in earnings. The reason for the decline was that major buyers of Ghanaian crafts in the USA turned to the Far-East, especially Indonesia, India, China for handicraft supplies with relatively good finishing and functionality. Not only that but also some of the foreigners do not like the scent of some of the handicraft products, particularly weaving items such as Kente. The information here implies that the handicraft sector has not been performing up to expectations so far as the international market demand is concerned. This requires that measures should be put in place to boost the sector. The needed training is required to meet standards.

Another member of the staff said that the exporters complain that the producers are not able to meet their demand on time. This implies that the Japanese production technology of Just –In –
Time is lacking in the handicraft production sector. It is therefore required that the producers should be trained in modern system of operations.

4.3 DISCUSSIONS AND INTERPRETATION

Lack of effective promotional activities for handicraft products in Ghana

The study revealed that the promotion of the sector was not effective due to the inability of the GEPC to render the needed services to the producers to enhance good production, make the sector attractive to the youth, finance the sector and find market for the products.

Lack of Financial Assistance

The study revealed that the producers of kente and wood carving do not have access to credit facilities or financial backing due to collateral security. According to the 80% of the respondents interviewed, the credit scheme available for the exporters is even difficult to come by. As a result the producers of handicrafts are unable to acquire modern machines and technology to speed up their operations. In effect they are unable to embark on large scale production to meet demands.

Training of Personnel

Findings from the study proved that the craftsmen lack the requisite skills to carry out their activities. This was revealed during the interview that almost 70% of the wood carvers are illiterates and due to that they seem to be conservative and are not bother to employ modern way of production in terms of designing, packaging and on time delivery to meet international standards. No wonder the exporters face competitions with respect to finishing and functionality at the international markets. This contributes to the decline in demand for Ghanaian handicrafts.
by the US market. As part of findings, it was realized that, both kente weavers and wood carvers
needed training. The suggested training was identified as making them aware of the use of
modern facilities such as machines to produce world class crafts that can compete the world
market.

**Marketing of the Products**

The study revealed that both the producers and exporters lack marketing communicational skills
when it comes to the selling of the products both local and international markets. This was
indentified during the interview with the above operators. On the part of producers, majority of
them sell their outputs to intermediaries on credit for lack of promotional knowledge. The
suggested ways of marketing both internationally and locally can be to organize consistent trade
fairs, seminars, government sponsorships, exhibitions and e-commerce.

**Delay In Export Proceeds Remittance**

According to the 100% of the exporters interviewed, it came out that it takes too long for export
proceeds to be remitted and this creates inconveniences for them. The effect is that the producers
would be demanding their money to work with while the proceeds are not available which
sometimes results in misunderstanding between the exporters and producers. As a result,
producers do not get funds to acquire raw materials to ensure constant production to meet
demands.

In spite of above challenges facing the handicraft industry, there following issues present
opportunities for the industry in the sense that, the handicraft industry has the ability to diversify
in the production of the product.
Instead of using the old of production, new technological ways can be adopted. In addition, there is the potential for growth since the demand for the products are both locally and internationally oriented.

There is also the potential of employment avenues for the youth, if the government backs the industry to boost its activities and make it attractive to the youth.

4.3.7 SWOT Analysis of Handicraft Products

<table>
<thead>
<tr>
<th>STRENGTHS:</th>
<th>WEAKNESSES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is large product variety and range available because of diversified culture.</td>
<td>Absence of agreed quality standards</td>
</tr>
<tr>
<td>There is flexibility of production.</td>
<td>Lack of infrastructure and communication facilities.</td>
</tr>
<tr>
<td></td>
<td>Unawareness about international requirements and market.</td>
</tr>
<tr>
<td></td>
<td>Less interest of young people in craft industry</td>
</tr>
<tr>
<td></td>
<td>Still confined to rural areas and small cities and untapped market.</td>
</tr>
<tr>
<td></td>
<td>Lack of promotion of products.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES:</th>
<th>THREATS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job creation</td>
<td>Quality products produced by competing countries like China, South Africa.</td>
</tr>
<tr>
<td>Rising demand for handicraft products in developed countries such as USA, Canada, Britain, France, Germany, Italy etc.</td>
<td>Better Trade terms offered by competing countries.</td>
</tr>
<tr>
<td>Developing fashion industry requires handicrafts products..</td>
<td>Increased and better technological support and R &amp; D facility in competing countries.</td>
</tr>
<tr>
<td>Development of domestic and international tourism sector.</td>
<td></td>
</tr>
<tr>
<td>Diversified product range that service different market</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter deals with summary of findings conclusion and recommendations of the study on some of the expectations from Ghana Export Promotion Council.

Generally speaking, the non-traditional exports of which the handicraft products are involved is depicting a positive impact as far as the Ghanaian export market is concerned. Besides, Ghana Export Promotion Council through its various short and medium term plans have been improving the sector since diversification to this sector began. But yet still, there is more room for the sector to improve its activities. This requires adequate support to the sector through restructuring the financing facilities, the export institutional structure, as well as expertise or technological assistance to the sector.

5.2 SUMMARY OF FINDINGS

Marketing activities especially promotion has been the major challenge facing handicraft industry. As a result the industry has not been able to realise its potentials. The method employed for the study includes quantitative and qualitative that paved way for the use of statistical data and opinions of the respondents. The search also adopted both primary and secondary data sources which involved personal interview and literature from Ghana Export Promotion Council as well as observations from the field.
The main findings of the study revealed that the contribution of non-traditional sector to the Ghanaian economy is very significant but the handicraft contribution is relatively low in terms of earnings. This has happened as result of problems facing both the producers and exporters of the products. Among the notable problems found include inaccessibility of raw materials, lack of financial assistance, and training of personnel, lack of quality finishing and functionality, marketing of the products, delay in export proceeds remittance. Crafts men are not time conscious and lack of formal education. One of the major challenges identified in the SWOT analysis is absence of strategic focus for Ghanaian handicraft sector. This certainly has implications for continuous growth and expansion of the sector.

Out of these challenges, there is an opportunity to identify a strategic approach for developing the craft sector holistically, addressing the weakness and nurturing the potentials that exist within the sector.

Even though, there are challenges, the sector has a potential to growth and business continuity that can create job opportunities for the various communities that undertake these activities. Further, it can also generate foreign exchange to accelerate the rate of economic development and improve the balance of payment deficit.
5.3 CONCLUSION

The study was conducted in order to promote the handicraft industry in Ghana. Ghana relies on few traditional commodities for export and the achievements in the export sector have not been impressive in view of the high level of Ghana’s import requirements. This has necessitated the need for the export expansion by looking at alternative commodities to support economic growth. Therefore for Ghana to achieve economic growth and improve her balance of trade, requires the promotion of potential exports like handicrafts such as kente and wood carvings. Further, a lot of measures should be put in place to improve the non-traditional exports in the country so that, it can still contribute immensely in the export sector to generate enough foreign revenue and also help to create employment for the youth.

5.4 RECOMMENDATIONS

Based on the analysis and the findings, the organizational structure of the export sector should be critically examined as the structure is a tall one which does not auger well for commercial operations. It delays the implementations of decisions that help the marketing structures for the industry. The department structures like customer relations, public relations, management information systems should be integrated to ensure smooth marketing activities.

We recommend that, the following issues should be critically considered by the stakeholders in the industry.
5.4.1 Competition and Technological Development

The dynamic environment which the global market is experiencing demands total quality management concepts in order to be in the competition. Therefore modern ways of producing as well as the selling of the product should be structured in such a way that, the handicraft industry can adapt the modern selling activities like exhibitions, internet marketing, telemarketing, direct mail and using the just-in-time concept of production. Policies and procedures for technological advancements should be documented for all handicraft activities.

5.4.2 Acquisition of Raw Materials

The study revealed that the acquisition of raw materials is a problem for the industry especially both Kente weavers and wood carvers. Therefore there is the need to make things easy for the producers to have access to raw materials. It was realized that, the Kente weavers import some of the materials (threads) which can be undertaken by the domestic firms with the support from government to produce those materials locally for production.

Further, the government should put in place measures to control the deforestation effects from the activities of the wood carvers by collaborating with the forestry department to levy them for a forestation projects, so that, they can have access to raw materials when needed for production.

5.4.3 Training

 Undertake an ongoing and comprehensive review of analysis of craft education in Ghana to compile an inventory of training available, skills set needed for industry participants,
identification of gaps and training needs of the industry. Also explore corporate programmes between schools, colleges, and craft persons, and provide ongoing professional development opportunities for craft persons to address deficiencies in the industry.

5.4.4 Design

Focus on design as one of the major building blocks of the craft industry, developed a visual design bank which would offer craft persons, design elements integral to our cultural heritage and environment. This would provide useful design experts for craft persons who lack these design skills. Efforts should commence with craft items for which there is unified market demand.

5.4.5 Credit Schemes (Both Producers and Exporters)

There is the need for government to put short medium term measures to offer credit schemes of low interest to the producers as well as the exporters of the handicraft. Government should also build more training centre for the producers to enable them to produce to meet modern standard of production. Technical institutions should be built and after their training credit facilities should also be given them, so that they can operate successfully.

5.4.6 Export Promotion Seminars

Ghana Export Promotion Council in collaboration with tertiary institutions should organize educational seminars for the producers and exporters to know how to keep records as well as the development of new ways of doing things. Moreover, there should be a concerted efforts to
tackle the challenges that impede growth in the export sector and takes advantage of the emerging opportunities resulting from world trade.

### 5.4.7 Marketing

The government should determine characteristics of local craft products which can contribute to readily identifiable brand. Foster public, corporate and governmental awareness of the handicraft industry by promoting our identity through heritage, culture and the environment. In this regard, the nation can develop a three year national branding campaign for the handicraft products to have both local and international recognition.

Moreover, the government should provide support for retailers and producers to develop quality control and increase opportunities for consumers including Ghanaians to purchase locally produced products.

### 5.4.8 Establishing a Craft village

The authors recommend that the government should establish Craft Village in regions in Ghana where much handicraft production takes place. Grouping producers under one umbrella can assist the artisans to learn skills among themselves and could be passed on to the next generation. Not only that but also it will bring about sanity into their operations by ensuring that international quality standards are maintained. Moreover, Ghana should learn lessons from Burkina Faso and India to help grow the handicraft sector.
BIBLIOGRAPHY

APPENDIX I

QUESTIONNAIRE FOR HANDICRAFT PRODUCERS

Please tick or give your comment where applicable.

1. Sex
   Male [ ]  Female [ ]

2. Level of education:
   (i) Primary [ ]
   (ii) JHS/ Middle school [ ]
   (iii) Secondary and above [ ]
   (iv) No formal education [ ]

3. For how long have you been in the handicraft industry?
   (i) 1 – 5 years [ ]
   (ii) 6 – 10 years [ ]
   (iii) Above 10 years [ ]

4. Name some of handicraft you produce
   ………………………………………………………………………………………………………………………………
   ………………………………………………………………………………………………………………………………
   ………………………………………………………………………………………………………………………………

5. Do you have access to raw materials?
   Yes [ ]  No [ ]

6. If no to question 4 above, describe the processes you pass through before you get the raw materials.
   ………………………………………………………………………………………………………………………………
   ………………………………………………………………………………………………………………………………

7. Where do you sell your outputs?
   (i) local market [ ]
   (ii) intermediaries [ ]
   (iii) export [ ]
   (iv) others [ ]

8. Do you advertise your product?
   Yes [ ]  No [ ]

9. If no to question 7 above, what is the reason of not promoting your business?
   (i) Lack of funds [ ]
   (ii) To avoid tax [ ]
   (iii) I don’t know how to do it [ ]
   (iv) It is not important to me [ ]

10. Have you been receiving any financial assistance from banks or government or any private organization?
    Yes [ ]  No [ ]
11. If no to the question 9 above, what is the reason?
   (i) Lack of collateral security  
   (ii) High interest rate  
   (iii) I want to rely on my own resources.
12. If yes to question 9 above, what is the duration of the payback period?
   (i) 6 – 10 months  
   (ii) 12 months  
   (iii) 18 months  
   (iv) 24 months
13. What problem(s) do you encounter in the production of your handicraft products?
   …………………………………………………………………………………………
   …………………………………………………………………………………………
   …………………………………………………………………………………………
14. Have you been receiving training program for your business?  Yes  No  
   If yes how frequent / who provides the training?
   …………………………………………………………………………………………
   …………………………………………………………………………………………
15. What recommendation(s) would like to make to the government or institutions to help improve the export of Non–Traditional products:
   …………………………………………………………………………………………
   …………………………………………………………………………………………
   …………………………………………………………………………………………
   …………………………………………………………………………………………
   …………………………………………………………………………………………
   …………………………………………………………………………………………

Thanks for your co-operation.
APPENDIX II

QUESTIONNAIRE TO THE EXPORTERS OF THE HANDICRAFT PRODUCTS

(This research is being conducted for academic purposes. Therefore respondents are assured that any information given shall be treated with utmost confidentiality.)

Please tick or give your comment where applicable.

1. Age: 20 – 30 years □ 31 - 40 years □ 41 - 50 years □ 51 - 60 years □

2. For how long have you been in the handicrafts industry?
   1 – 5 years □ 6 – 10 years □ 11 – 15 years □ above 20 years □

3. Do you export handicraft products? Yes □ No □

4. If yes for question 3 above, please indicate the those products you deal in
   i. Kente clothing □ ii. Wood carvings □ iii. Jewells □ iv. hides and skins □
   v. Earth bowls □ vi. All of the above □

5. Which one is most profitable?
   .............................................................................................................................

6. Does the export of handicraft products a profitable venture? Yes □ No □

7. Which country/countries do you export handicraft products to?
   …………………………………………………………………………………………………
   ………………………………………………………………………………………………

8. How do you see the future of the industry
   i. Very bright □ ii. Bright □ iii. Normal □ iv. Poor □

9. Do you face challenges of competition at the international market?
   Yes □ No □

10. If yes to question 9, then what is the nature of the competition?
    i. High pricing □ (ii) Quality standard □ (iii) promotion □ (iv) Monopoly □

11. Do you think the competition can have negative impacts on the handicraft industry in Ghana?
    Yes □ No □

12. If yes to question 11 above, give your comment on how it will affect the industry negatively.
    …………………………………………………………………………………………………
    ……………………………………………………………………………………...……….
13. What recommendation(s) would you like to make to the government or institutions to help improve the export of Non–Traditional products?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

Thanks for co-operation
APPENDIX III

QUESTIONNAIRE FOR STAFF OF GHANA EXPORT PROMOTION COUNCIL

Please tick or give your comment where applicable

1. Gender:  Male □  Female □

2. Your position

.............................................................................................................................................
.............................................................................................................................................
.............................................................................................................................................

3. How long have you been working with GEPC?

.............................................................................................................................................
.............................................................................................................................................
.............................................................................................................................................

4. Which sector of the Non-Traditional exports is falling in terms of performance for the past five years?
(i) Agriculture □  (ii) Manufacturing □  (iii) Handicrafts □

5. If your answer to question 4 above is handicraft, what do you think is the cause(s)?

.............................................................................................................................................
.............................................................................................................................................
.............................................................................................................................................
.............................................................................................................................................

6. What is the total number of handicraft produces registered with GEPC in Ashanti?

.............................................................................................................................................

7. What role does Export Promotion Council play in the area of exporting of handicrafts? Tick as many as you can
(i) By giving financial assistance □  (ii) Offering of advice about export formalities □
(iii) Training □  iv) Organizing trade fairs and Exhibitions □  v) Other (Specify)
8. What are some of the complaints you receive from the exporters of the handicrafts?
   (i) High export duties
   (ii) Decrease in patronage at the international market
   (iii) Higher prices from local handicraft produces
   iv) Other (Specify)

9. If your answer to question 8 is decreasing in patronage at the international market, what do you think is the reason?
   ........................................................................................................................................

10. What challenges do you face when dealing with both handicraft producers and their exporters?
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................

11. Kindly give your recommendation(s) about how your institution will be able to help promote the handicraft products in Ghana.
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................

Thanks for your co-operation.