

Examining the Marketing Strategies adopted by the Jisonayili Shea Butter Processing Company in Tamale, Ghana

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Abstract

Shea butter is a God given natural resource found in northing part of Ghana. Its collection, processing, production and marketing leave much to be desired. Entirely, the research has a singular mission of unveiling the strategic direction of the Shea industry in other to fully utilize the benefits enshrined in the Shea products; as income, employment, foreign exchange and family budget supplement. This study sought to examine the marketing strategies adopted by the Shea butter industries in the north, particularly, the Jisonayili Shea Butter Processing Company in Tamale metropolis. The research was conducted to examine the marketing strategies by the Shea butter industry. Geographically the study covered only Tamale metropolis and respondents were specifically from Jisonayili Processor Group. Contextually, it focused on the marketing aspects of the Shea business. The findings and conclusions were therefore based on and grounded in the data collected from these respondents. A case study approach was used for the study since it was an in-depth study of one organization. Primary data collections approach was based on questionnaires and in-depth interviews for twenty (20) respondents. Secondary data sources included the internet, published academic articles, academic journals, existing text books and so on. There was no sampling because the number of the firm was less than fifty (50). The SPSS was used to analyze the data. The results of the study showed that prices of Shea butter fluctuates based on the demand supply forces in the market. The findings revealed that the industry predominantly dominated by women. Again the findings revealed that the producers have been depending on some outmoded marketing strategies and if given support, the Shea butter business has the possibility to significantly improve the livelihood of the people in the North Region.

Keywords: Marketing Strategies, Shea butter Processing.

1.0. Introduction

Shea tree, botanically known as *vitallariaparadoza* is a wild crop growing naturally in Ghana and nineteen other different countries including Congo, Uganda, Nigeria, Niger, Mali, Guinea Bissau, Guinea Conakry, Senegal, Southern Sudan, Togo, Ivory Coast and Kenya among others. *Vitallaria Paradoza* grows to the width of 175 cm and height of 15 m but resists fire burns. In Ghana's situation the trees are grown in almost every part of the three Northern Regions, giving the area what Ohio describes as natural endowment of Shea tree and butter. Despite the high demand for Shea butter and its products on both local and global scale it is still predominantly the occupation of the rural women. The growing interest in the production and marketing of the products in recent times leaves much to be desired. This precious product is used as raw materials for the cosmetic industry, soap production and therefore has attracted the attention of the government NGOs and individual. According to Stichting Nederlandse Vrijwilligers (SNV) (2006), the impact of Shea butter to the economy and individuals can be quantified in terms of employment, foreign exchange for Ghana, poverty reduction and raising standards of living for those involve in its processing and sales. Generally, income generated from Shea business by the women in the north are used to augment the family budget in paying of children's school fees, food and clothing expenses and savings for future survival of the individual and the nation. Holtzman (2004) as cited in Essiama (2010 p. 30) argued that the domestic market for Shea products is mostly in the urban centers of Ghana like Accra, Tamale, Takoradi and Kumasi, though it is largely produced in the rural areas. Hence the supply pole is the rural areas and the demand pole is the urban areas. Understanding where the finalized product is to be positioned in the market is the key to ensuring the best possible chance of securing a market and an estimate of the overall size of the market is needed to take a decision on the marking strategy to adopt.

Though there is a considerable amount of Shea products in the North which can be utilized to generate employment thereby eradicating or reducing poverty in Ghana, it has faced manifold of marketing challenges such that there is lack of strategies for sales produce and growth of the industry. The issue really is about 90% of the women into the industry are illiterates and so curving a marketing strategy has been a difficult one. Unfortunately little attention has been paid to the extent to which government support and effective marketing strategies can influence boost of the industry. Therefore this study aims at examining the marketing strategies adopted by these Shea producers in the Tamale metropolis, precisely the Jisonayili Processing Company.

2.0. Methodology

2.1. Research Design

The study sought to examine the marketing strategies adopted by the Shea butter industry in Tamale. The study utilized the positivist and the phenomenological philosophies. It was a mixed application of qualitative and quantitative approach of research to research into the Jisonayili processors group in Tamale. There was therefore an integration of qualitative and quantitative techniques for both data collection and analysis (Creswell, 1994). The researchers employed this technique in order to benefit from additional perspectives and insights which a single methodology may not provide. In that case, a case study research design was used. A case study offers an opportunity to study a particular subject, e.g. one organization, in depth, or a group of people, and usually involves gathering and analyzing information. The choice of a case study for the research stems from the fact that the researchers want to get an in-depth knowledge into the marketing activities of the Jisonayili Shea butter processing company. The study therefore, started from the field with a collection of data through questionnaires and then in-depth interviews in order to define the variables for the study.

2.2. Research Location

The study was conducted in the northern part of Ghana, precisely Tamale, the regional capital of the Northern Region. Geographically the study will cover only Tamale metropolis and specifically Jisonayili Processor Group. Contextually, it will focus on the marketing aspects of the Shea business.

2.3. Population and sample size

The total number of subjects of the company is Twenty eight (28) and so all were interviewed. Henry (1990) argues against any form of sampling when it is below fifty and that you should distribute questionnaires and collect data to the entire population, if possible. Based on this argument, the researchers did not use sampling method because the population or respondents to respond to the questionnaire were less than fifty (50) and so the whole population was used in the studies.

2.4. Data Sources/Collection

The data for the study was basically primary and secondary sources of data. For the primary source of data the study employed a data collection tool of both questionnaire and semi-structured interviews to gather first hand information from respondents. The secondary source of data was taken from articles such as journals, academic published books, internet, reports and magazines. The questionnaire contained twenty (20) questions which comprised thirteen (13) open ended and seven (7) closed ended questions so that the respondents can express themselves because most the respondents are illiterates the researchers used interview. The questionnaire was in two parts, the first part was questions on demography asking personal background information regarding age, sex, educational level and marital status. The other part asked questions on the issues addressed in the research. The researchers used two (2) weeks for the administration and the collection of the questionnaires themselves. For the interview aspect, the proceedings were tape-recorded with permission for the respondents. Though an interview guide was used, the researchers allowed the interviewees to freely tell their stories without unnecessary interruptions. Each interview lasted between 15 to 20 minutes.

2.5. Data Analysis

The data collected from the respondents were analyzed using standardized products and services solutions (SPSS) and Microsoft excel software. This was used as the researchers deemed it the most appropriate given the versatility and considering the nature of data collected. The process involves tabulation, description and interpretation of field data for simple variables. In analyzing the collected data, tables, percentages and frequencies were used to analyze responses to each item on the questionnaire. The charts were used to illustrate the relationship among the various items as frequencies distribution tables.

3.0. Results

Table 1- 4 below shows the distribution of selected background characteristics of respondents. These variables include age, sex, educational level, and marital status of the respondents.

Table 1: Gender of Respondents

Gender	Frequency	Percentages
Female	16	90
Male	4	10
Total	20	100

Sources: Researchers field work, 2014

In terms of sex distribution of respondents as shown by table 1 and figure 1 above, it is realized that the business

is dominated by 90 percent females while 10 were males.

Table 2: Age Distribution of Respondents

Age	Frequency	Percentages
11-20	1	.5
21-30	2	10
31-40	11	51.5
41-50	2	10
51 +	4	20
Total	20	100

Sources: Researchers field work, 2014

Table 2 above highlights the age distribution of respondents which indicates that one person representing 0.5 percent was between 11 – 20 years, two person representing 10 percent were aged between 21 – 30 years, 51.5 percent were the majority aged 31 to 40 while fewer respondents (10%) were aged 41 to 50. The above 50 were four representing 20 percent.

Table 3 Marital Status of Respondents

STATUS	Frequency	Percentages
Married	16	85
Single	3	10.5
Divorce	1	.5
Separated	0	0
Total	20	100

Sources: Researchers field work, 2014

The percentage distributions on marital status in table 3 above also shows that sixteen of them representing 85 percent were married while three of them representing 10.5 percent were single. Only one person representing 0.5 percent was a divorcee.

Table 4 Educational Background of Respondents

Education	Frequency	Percentages
Elementary	2	10
SHS		
HND		
DEGRE		
MASTER		
NO EDUCATION	18	90
Total	20	100

Sources: Researchers field work, 2014

With regards to educational background of respondents as shown in the table 4 above, a minority of only 10 percent had elementary education while a whopping majority of 90 percent had no basic education.

Table 5: Revenue Earn Per Sales

Income	Frequency	Percentages
5-20	2	10
30-50	12	60
60-100	6	30
100-200	0	0
Total	20	100

Sources: Researchers field work, 2014

The table 5 above shows that the highest income levels of the processors are between GH¢60 to GH¢100 as their profits. Out of the 10 respondents get between GH¢5-20 per sales, 30 percent earn between 60-100 whilst the percentage of up to 60 3GH¢0-50

Table 6: Standard Of Living of Extractors

Factor	Frequency	Percentages
Yes	20	100
No	0	0
Total	20	100

Sources: Researchers field work, 2014

From the table 6 above it is evidenced that the Shea business has significantly improves their standards of living. This is demonstrated by a 100 percent response that the Shea business has brought a positive change in their lives.

Table 7: Customers of Respondents

Buyers	Frequency	Percentages
Body Soap ltd.	20	100
Other Companies	20	100
Individuals	20	100
Total	20	100

Sources: Researchers field work, 2014

An analysis of the data collected from the field in table 7 as shown above, indicate that all the respondents agreed that they have three main customers as 100 percent is allocated to the entire customer.

Table 8 Marketing Strategies

What	Frequency	Percentages
Yes	5	25
No	15	75
Total	20	100

Sources: Researchers field work, 2014

The question as to whether there are any marketing strategies for their produce. The analysis of the data collected from in-depth interview suggests that such strategies are not available to them. The results in table 8 above shows that only 25 percent of the processors claim to have marketing strategies but to some extent it is ineffective in practice. The majority of 75 percent claimed they do not have such strategies in place.

Table 9: Rate of sales for the following years?

No.	Products	Excellent	V. Good	Good	Bad	Worse
1	2012	-	2	18	-	-
2	2013	-	2	18	-	-

Sources: Researchers field work, 2014

According to the findings the result in table 9 shows that the respondents agreed that sales for both 2012 and 2013 were good of up to 18 for each year representing 90 percent whilst 10 percent was also for very good indicating the two years were very good for only two (2) processors.

Table 10: Factors influencing pricing of your Shea products

FACTORS	YES	NO
Quality of product	20	0
Availability	20	0
Cost of the product	17	3
Comparison with others	0	20

Sources: Researchers field work, 2014

The percentages in table 10 during the finding depicts that price is the only controllable element that brings revenue to the organization, yet how the processors price the Shea butter is questionable. Both Quality and availability of product count 20 respondents representing 100 percent each for bases of setting their prices. On cost of the product 85 percent of the respondents calculate and add a margin to it to make profit whilst 15 percent does not consider cost before setting their prices. However, this group does not look at how other sell and set their price hence 100 percent said no to comparison with other sellers. From the finding the figure 4 shows how the price of Shea butter fluctuates on the market.

Table 11: Partners in the industry

Indicators	Frequency	Percentages
Yes	16	80
No	4	20
Total	20	100

Sources: Researchers field work, 2014

A look at the result in table 11 indicate that on the interrogation of whether their center has partners, the finding from the table above depicts that 16 people representing 80 percent accepted that they have partners. 20 percent however either didn't know of any partnership or they were not aware of any. It appears that these two firms were their partners, which are MIDA Ghana and Body Soap Ltd.

Table 12: Government Linkages

Gender	Frequency	Percentages
Yes	0	0
No	100	100
Total	20	100

Sources: Researchers field work, 2014

The researchers also tried finding out whether government has linked them to other organizations, itself or markets (local or foreign). The findings suggest that government support is inadequate. The table 12 above shows clearly that all the 20 processors representing 100 percent attested to the fact that government has not linked them to any partners. The responses from the industry suggested that government support is insufficient. They argue that though some government agencies visit them to have interactions with them, they do not see any form support from the government.

4.0. Discussions

The results detailed above confirmed the work of Elias (2006) that prices of Shea butter fluctuates on the basis of the invisible hands of demand and supply. Clearly, the producers of Shea butter from the findings of the researchers also revealed that, the company depended on ineffective strategy of marketing the products by just displaying it on their production site, instead of making it available at vantage points in the Metropolis. Regarding gender, the result from the finding shows that the Shea industry is dominated by females. The study also settled on Stichting Nederlandse Vrijwilligers (SNV's) findings that, Shea butter business has increased the livelihood of women in the Northern part of Ghana. There is an indication that the Shea produced in their place is sold locally. That is why 90- percent of the processors said that the butter is sold in Ghana to companies and individuals. On the other hand 10 percent pointed out that some of their customers are foreign base.

The result shows intermediary customers like MIDA Ghana and Body Soap Limited coming to the North to buy from the producers. Regarding packaging of their products, it is packed in calabash, bowls and pieces of used cement papers for sale to the public. Customers like, Body Soap Limited brings rubbers and boxes for packaging what they buy. To them the customers are not enough as the result suggests that entirely, 20 of the processors representing 100 percent of the respondents said that there isn't ready market for their Shea butter. That means that they just process the butter store it against any buyer that may come their way. With standard of living of extractors, the following were mentioned as benefits of Shea butter to them; Support for budget of food of the family, their Cloths are also purchased from the sales of Shea butter, School fees of their children sometime have to be supported from their sales revenue, as well as housekeeping money support for the family. In the area of support from government, they argue that though some government agencies visit them to have interactions with them, they do not see any form support from the government. The results of the data analysis reveal that the industry needs government support in the area of funding, improved road network and markets, both local and international.

Respondents were given the chance to enumerate the Marketing challenges that they are bedeviled with and they mention low price, price fluctuation, as the percentages in table 10 during the finding depicts that price is the only controllable element that brings revenue to the organization, yet how the processors price the Shea butter is questionable. Both Quality and availability of product count 20 respondents representing 100 percent each for bases of setting their prices. On cost of the product 85 percent of the respondents calculate and add a margin to it to make profit whilst 15 percent does not consider cost before setting their prices. However, this group does not look at how others sell and set their prices hence 100 percent said no to comparison with other sellers. From the finding the price of Shea butter fluctuates on the market which contributes to delay in sales and loses. They suggested that with bargaining and quality of Shea produce, their market is bound to successful.

5.0. Summary Findings

Base on the results and discussions these were found

1. Business management capacity building for processor was not done throughout the north to let the women have a focus, budget and set targets for themselves.
2. Government has not develop market linkages both local and abroad
3. Customer education on the part of policy makers, government are not enough, this should be done to increase sale and expand market for Shea products was minimal. This should be centered on the health benefits of Shea butter and government policy of eat what you produce.
4. Producer's production and distribution do not meet the retail outlets locally (Melcom Ghana Ltd., Shoprite, Foresmuel etc.)
5. Marketing challenges of low price, price fluctuation, delay in sales leads to lose to producers.
6. Shea butter producers are cutting down the Shea trees due to poor market

6.0. Recommendation

Based on the conclusions which have been reached, the following recommendations are made for policy makers, practitioners and researchers.

- Being an infant industry, the Shea butter producers' needs regular, constant and appropriate attention to develop.
- It is suggested that the government of Ghana and other policy makers should pay particular attention to policies which could create the necessary conducive atmosphere to promote and support the growth of quality Shea butter production in Ghana.
- Efforts directed towards the reduction of complexity in accessing credit by producers.
- The Ghana Standard Authority should provide constant education to producers on the standardization on product packaging and designing to attract international markets.
- Producers should also pay particular attention to customer satisfaction, as this could lead to increase in sales, increase in income, and the ability to expand their business with little financial assistance.
- Effort should be make to organize women processors into groups at district levels to help facilitate coordination among them.

7.0. Conclusions

The main objective of this study was to examine the marketing strategies adopted by the Shea butter industry in Northern Ghana. If there were any marketing strategies at all, it was ineffective to some extent. Over all, the Shea business is a promising industry and as such its benefits cannot be simply under estimated. It requires vigorous attention of government, NGOs and the business community to help market the produce. Finally, recommendations for policy makers, practitioners were made based on the findings.

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