

Challenges of Entrepreneurs in Marketing of Locally Manufactured Agriculture Commodities at Geidam, Yobe State Nigeria

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ABSTRACT: this article analyzed the challenges militating the marketing of agricultural manufactured commodities by local entrepreneurs at Geidam town of Nigeria's northeast. The objective is to proffer solution for present and prospective entrepreneurs on how they can run their businesses. The empirical data was collected through survey method. The analysis was done through the aid of excel. Tables and bar charts were used in the presentation and the analysis of the data. The study revealed that inadequacy of capital, shortage of raw materials, lack of modern manufacturing equipment, seasonal nature of raw materials and lack of storage for both the raw material and finished goods, as well as excessive government policies are part of the challenges militating the entrepreneurs. As panacea, the article recommended government to provide innovative equipment to enhance production. Import embargo should be placed on foreign goods that has substitute in Nigeria. The government should also give tax subsidies to local entrepreneurs on the sales of their finish goods.

KEYWORDS: Entrepreneurs, Marketing; Manufacturing; Commodities; Geidam

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I. INTRODUCTION

Nigeria is fondly regarded a giant of Africa because of its human capital and mineral endowments. With an estimated population size of nearly 200 million, the country accounted for about one third of the population in the African continent. This equally scored the country as the largest black settlement on the globe. In addition, the population and natural resources potentialities, the countries climatic conditions and land fertilities influences its abundant agricultural production. Indices by Central Bank of Nigeria suggest that of the total land area coverage of about 910, 768 Km², about 33% is an arable land thus suitable for permanent crops. Although, Nigeria produce numerous crops, the notable ones includes: cocoa, peanuts, palm oil, sesame seed corn, rice, sorghum, millet, cassava (tapioca), yams, rubber etc. For instance, in the first quarter of 2019, Nigeria was estimated to have made about N40 billion from the export of the Sesame seed. The country is also notorious for livestock productions such as goats, sheep, cattle, camels, pigs etc.

Evidences showed that prior to the discovery of the crude oil and its explorations, agricultural sales provides the largest shares of the Nigeria Gross Domestic Products (GDP). In fact, even the marginal support from government, Nigerian agriculture was able to grow at a sufficient rate to provide adequate food for an increasing population, raw materials for a budding industrial sector, increasing public revenue and foreign exchange for government and employment opportunities for an expanding labour force. The enthusiasm of the producers were never in doubt even with the marginal support provided by government that was largely concentrated on export crops like cocoa, groundnut, palm produce, rubber and cotton. Government concern were partly centered on foreign exchange gain, as the problems of self- food crisis has not pose any crisis to the government.

It was after the discovery of crude oil, agriculture sector started to experience challenges such as poor productivity resulting food shortage, poor exportation leading to decline in foreign exchange earnings from agricultural goods. The combined challenges culminated to perennial imbalance on foreign exchange records of the country. Whereas inadequacy of the agriculture exports led to rapid declines in government revenue, the poor food production also compelled the Nigeria to import the largest share of the country's food needs thus depleting foreign reserve of the country. The unfortunate situation was further compounded by the 30-month civil war in 1970s. Others are perennial droughts in some parts of the country, government fiscal and monetary policies as well as migration of labour from the rural areas to the urban center.

Informed by the above crisis, Nigeria authorities have taken numerous measures to arrest the situation. The reality of this has manifested through the adoption of series of policies and programme toward reviving

the agricultural sector. Although, the impacts of the various government policies and programme cannot be discarded, however, one issue that was generally believe to have been militating the successes of agriculture is the marketing of the agriculture manufactured products. There is disturbingly limited literature investigated in this perspective. While government policies and programmes often concentrate on enhancing ways of earning foreign currencies. The ideas about the marketing of the locally manufactured agriculture goods was virtually understudied. The deliberate neglecting of the marketing segment of Agrico-manufactured goods has been an issue of major concern both at the policy centers and in the abstract academic literature analyzing the agriculture-business in the country. Large body of works have shown that an efficient agricultural commodity marketing system is key stimulant and sustainer of the growth and development of a country. Enhanced marketing system of agricultural based packaged goods provide greater market incentives for farmers to participate effectively and consistently in the domestic food and agriculture markets. Through encouraging participation in the agriculture goods, it combat the historical unemployment crisis of the country. This article thus aimed to analyzed the challenges militating the marketing of locally manufactured agricultural commodities in Yobe State. The importance of the study beyond the contributions to the scholarly literature, it is a policy science suitable for the Yobe state government, Nigeria government, and other foreign countries that shared similar challenges around the globe. In addressing its objectives, the article proceeded in four sections. In section one, the authors presented the brief literature on the issues of the study, section two is the explanation of the methodological approach to the study, section three presented the presented the challenges militating the marketing of the locally manufactured goods at Yobe state, and section four presented the conclusion and recommendation of the study.

II. LITERATURE REVIEW

Personal selling is usually the leading element of the business-to-business marketing communications mix. It is also a comparatively costly resource. Trade shows can help recognize buying impacts, increase business image, provide product demonstration, generate experienced leads for salespeople, handle customer complaints, and yield competitive information, (Hutt and Speh, 2001). Within this context, impersonal Statement strategies are mostly more lucrative for selling objectives earlier in the process, for example, awareness and interest generation, while personal communication is more lucrative for objectives later in the process other instances, offering customization, negotiation. Trade shows can play a lucrative role in various stages of the process, attributed to the personal or non-personal nature of the communication involved (Erevelles and Fukawa, 2013).

Moreover, Agholor (2013) describes personal selling as an oral presentation a discussion with one or more purchasers with the end goal of making sales. Personal selling comprises various steps that the salesperson follows when selling (Kotler and Armstrong, 2008). It could also see as the structure of stages through which salespersons proceed in making sales (Warren, 2000). Kotler and Keller, (2009) attributed that; personal selling one of the most established occupations on the world. In fact, it's growth could be related to the time of transfer by sales when individuals exchange goods for other goods.

However, Cox (2004) said that; face-to-face communication, persuasion, flexibility, advertising of sales, supply of information and mutual benefit. Personal selling has four types this is trade selling, teacher selling, specialized selling and new business selling. (Henderso & Robertson 1999). Personal selling is an exceptional component of making contact. Unlike promoting and sales advertisement which main emphasis is to make mindfulness about the truth of a product or service? Moreover, offer information as the features of products, its accessibility and price on a mass basis while personal selling is a personal approach that is intended to meet particular need of prospects. It is commonly directed to particular market segments. Selling is an interactive, personal paid promotional approach between a buyer and seller.

However, sales and marketing scholars exploring the precursor skills and abilities of Salespeople through an analysis of social cognitions are examining a related study stream. Study have revealed that customers structure attitudes about salespeople. Based to a limited extent on whether the salesman utilizes a weaker or delicate. Presentation style more situated to relationship building as contrasted with the traditional hard sell. However, presentation that perspectives a deals connection as an Engagement where there is a winner or failure and is customarily associated with Negative sales representative generalizations.

Moreover, in Nigeria a study by Agholor (2013) revealed that relationship marketing exist because of the generous level of rivalry, sharp divergences in purchasers' tastes and inclination, innovation progress, developing consumerism and government regulations. Nevertheless, leading to market fragmentation that companies have no choice than to build a solid agreement with the customers on which they can belay their hands. Agholor (2013)) further argued that the absence of trust, responsibility and guarantee satisfaction, absence of interior marketing and detached aggressive States of Nigerian business environment are the heading components limiting the application of relationship marketing.

III. METHODOLOGY

This study is conducted on survey method. The fieldwork is at Geidam of Yobe State in northeast Nigeria. The population of the study comprised of all men and women engaged in the manufacturing/processing of agricultural products produced locally in Yobe State. In this respect, 438 people are identified comprising of both gender (male and female), all are 18 years and above. They equally differs in their educational qualification. The highest qualification is bachelor degree and the lowest is senior school leaving certificates. The population differs in the nature of the business, target market, and capital base; they however share commonalities on their procession and packaging of agricultural bye products. Although, there are numerous agriculture business were identified in the study area, however, we stratified them into four broad strata. The stratification was base on the similarities of the raw material, finished goods, and target market. The table below shows the distribution of the population.

TABLE. 1.1 POPULATION DISTRIBUTION

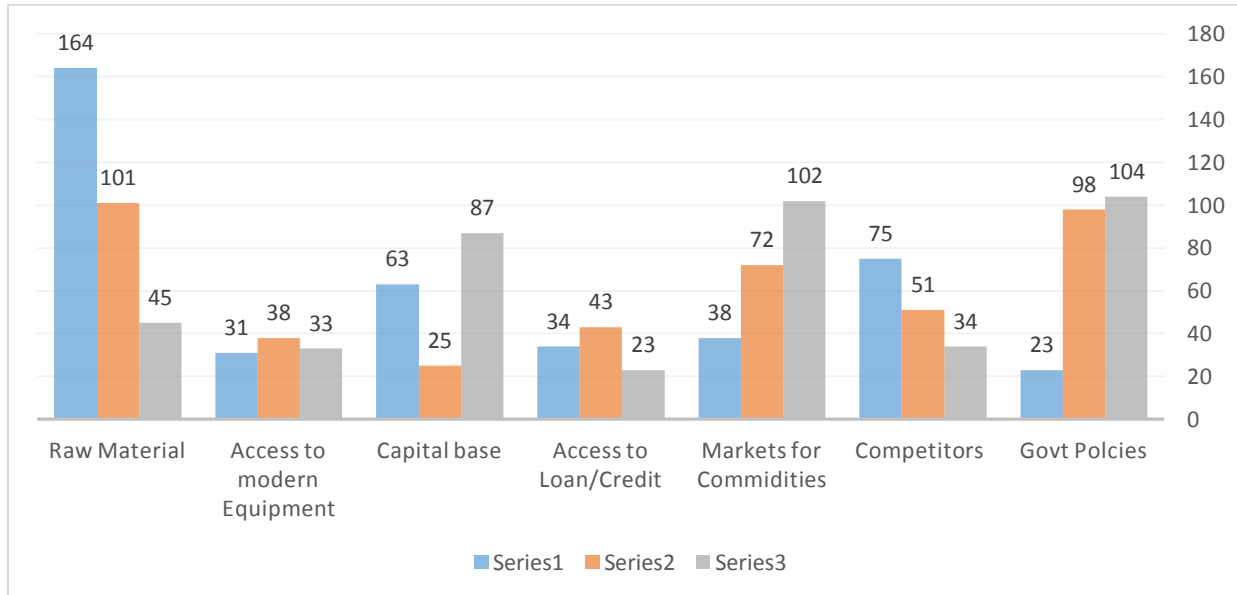
| S/n | Nature Business | Population | Parentage of Total Population |
|-----|--|------------|-------------------------------|
| 1 | Rice Processing and Bagging | 124 | 28.3 |
| 2 | Meat Processing and Packaging | 90 | 20.5 |
| 3 | Tomatoes & Pepper Drying and Packaging | 67 | 15.3 |
| 4 | Milk canning and preservation | 157 | 36 |
| | Total | 438 | 100 |

SAMPLE SIZE

The entire 428 population of the study comprised the sample population of the study. A set of 20 questions were administered on multi-dimensional approach. In each dimension there is an average of 10 questions thus makingThe application of the multi-dimensional approach to the study was informed by the assumption of the system theory of organization. The system theory argues that every organization function as a system comprising of input side, conversion unit, output side and feedback. They are all interacting within a complex environment. Therefore, the successes and the challenges of the of any entrepreneur cannot be thoroughly studied in isolation from the environment within which the entrepreneur operate – these include the sources of its raw materials, labour force, and the market within which the manufactured good are disposed. The questionnaire was designed to study the entrepreneurs of Agriculture base products at Geidam through seven factors: the availability and access to raw materials, the equipment required for the production, capital base, accesses to loans, markets for finish goods, competitors behaviours and government policies toward the manufacturing of locally produced Agricultural commodities. The raw data was analyzed with the used of excel. Respondents' data was presented in bar chats and histograms for ease of interpretation.

Challenges Militating the Marketing of Locally Manufactured Agriculture Goods at Geidam

Overall, entrepreneurs differs on the types of challenges hindering the sales of their locally manufactured goods at Geidam. Most of the differences however attributed to the nature of the raw materials required, the existing government policy toward the production activities, as well as the behavior of competitors in marketing the finished goods. The bar chart below shows the responses on the seven items.



Data shows that locally agriculture manufactured good formed the mainstream occupation of the people living at Geidam Local Area council. However, in spite of its large-scale participation, the operations and marketability of the manufactured goods forms the major challenges militating the entrepreneurs in the area. Although, majority of respondent has not pointed access to raw materials as serious challenge, however, some still pointed it as problem that continuously militating manufacturing of quality product at the local area. In addition to the historical challenges related to ultramodern equipment for manufacturing, respondent indicated that inadequacy of capital size and frustrated criteria of accessing loans and credits further hinders both the manufacturing and the marketing of the finish products in the area. The evidence specifically reveals that entrepreneurs start with lower levels of overall capitalization and lower ratios of debt finance. This assertion significantly concurs with Bruin et al., (2007) who earlier pointed out inadequate capital as part of the small and medium scale entrepreneurs in developing countries.

Moreover, whereas majority of the participants pointed their operating capital is small, they however decried that access to loan and other credit facilities is disturbingly frustrating. Even in situations where loans are made available for the entrepreneurs, the conditionality attached such as the need for collateral, excessive interest rate, and the short time tenure of the loans further sabotage the accesses to the loan facility. Earlier studies have equally confirmed to this assertion. For instance, Amaka et al., (2015) revealed that Nigeria entrepreneurs' faces difficulties to access credit facilities made available by the government and on occasions where such funds are accessible, it is not adequate to meet the entrepreneurs' requirement. In most respect, arising from the impeccable challenges of the formal loans, most entrepreneurs resort to borrowing money from private lenders at several harsh and unfavorable conditions that therefore affects the prices of their manufactured goods. The extended effect of this render credit repayment difficult. Alternatively, in situation where the cost is push on the market, entrepreneur product thus become unfavorable to fit competitors' product. The worst scenario in this perspective is that of lack adequate storage facilities as most of the agricultural goods are easily perishable. Furthermore, as most the raw materials are seasonal harvest, entrepreneurs also faces the challenges of storing their raw material for subsequent uses.

Respondents also pointed out challenges in relation to government policies and regulation. In addition to the inconsiderate revenue collection by multiple agents on one product, field data shows arising from the persistency of the insurgency in the area, production and sales of some selected products in the area were put on embargo. Notably in this respect is the fish, cattle and pepper production. The sales of fish of all kind is bane, and cattle must be screen by the security operatives guarding the area before allowing it for the market. This has cause artificial scarcity for entrepreneurs relying on these commodities as their raw material. Not surprising that the chart above indicates government policies as part of the major challenges in the study area. Besides the direct revenue collection on the manufactured commodities by the government, similar act was predominantly applied to the farmer. This has led to the skyrocketing the cost of the raw materials. It is unarguable that this practice not only unhealthy for the nation's agricultural sector, but it poses a great problem for the efficient marketing of manufactures agriculture products in the country. It can also be argued as the reasons responsible for the continuous rise in prices of food products across the nation.

Furthermore, arising from the rising cost of commodities coupled with inappropriate packaging and branding, the local entrepreneurs' commodities largely became inferior to the foreign imported goods. It is in

context, many people perceive locally-made products as partly inferior to imported ones. If the people that are supposed to be buying the goods do not see the product as valuable, then it will be hard convincing them to buy it. The consequence of this further golden the negative attitude of Nigerians toward locally manufactured goods. Previous studies have shown that Nigerians have unfavorable attitudes toward home made products.

IV. CONCLUSIONS AND RECOMMENDATIONS

This case study showed that there are multiple factors that militate entrepreneurs from marketing their locally manufactured commodities in Yobe State. The main factor militating both the manufacturing and the marketing activities includes financing, poor technology and innovation, excessive and multiple tax system, rising cost of raw materials as well poor patronage of commodities by the citizens. –The need to attract financing for innovation hubs, through a special investment fund that can be visible to venture capital and private equity firms. Others are poor distribution networks such as inadequacy of road networks, shortage of transportation equipment and lack of storage facilities. Arising from the poor distribution channels of the raw materials, entrepreneurs often find difficulties in accessing large market for their commodities. Local entrepreneurs lacks usually lack storage facilities. Therefore, the absence of the needed storage facilities forces the manufactures to sell their products as early as possible, mostly at lost in order to avoid total spoilage, even if it means selling at a very low price.

Therefore, in view of the above, and with the objective of reviving and strengthening the entrepreneurship toward the locally produced commodities, this article offered the following suggestions

1. Government should avoid the multiple tax system. In addition, if impossible, the government should provide tax subsidies for the manufacturing and marketing of local manufactured goods.
2. Since the citizen pointed out lack of adequate ultramodern manufacturing equipment as the challenge hindering the innovation and patronage of local goods, government should participate in the supply of these goods at subsidized rate to boost entrepreneur activities in the country.
3. Most entrepreneurs in Nigeria are uneducated and consequently know nothing about the market conditions. Therefore, the determination of the the real prices of their products and are usually oblivious. Government should participate in drawing a pricing techniques. This will go a log way in curbing the unhealthy completion between and among the entrepreneurs.
4. To create large market, government should put embargo to the importation of foreign manufactured goods that are produced locally in the country. This will help combat the proliferation of imported goods in the market and its patronage by the citizens. It will also combat the inferiority complex of the local entrepreneurs in relation to the imported products in their marketing.

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