

Challenges and Opportunities for Handicraft Traders as East Meets West at Open Air Markets in Nairobi, Kenya

E. B. Oigo^{**}, M. W. Wanduara^{*} and E. K. Nguku^{**}

Kenyatta University, Nairobi, Kenya^{*}

International Centre of Insect Physiology and Ecology^{**}, Nairobi, Kenya

(Received February 5, 2010 : Accepted April 30, 2010)

Abstract

East and West meet in Kenya as tourists to enjoy the climate, hospitality and tourist attractions. Handicraft traders target tourists from the East and the West to buy handicrafts. This research was carried out among textile handicraft traders in open air markets in Nairobi, Kenya to find out their product range, customer base and issues affecting their businesses. The study found that only 25% of the handicraft traders exported abroad. Most of the traders would like to and would benefit more from export trade; however they face challenges in doing so. Handicraft traders are constrained in exporting their products to the East and West because of insufficient information, inadequate capital and lack of contacts in the export location.

Key words : handicraft, traders, Kenya, open air markets.

1. Introduction

Tourism is one of the major earners of foreign exchange for Kenya. Tourists to Kenya from the East and West stay in hotels, visit the game parks, beaches, heritage sites and other tourist attractions. Their visits are closely linked with handicraft trade, since the tourists buy handicrafts and in so doing provide direct income to the handicraft traders. Most tourists come from the West although more recently the Kenya government is making efforts to attract tourists from the East. Kenyan handicrafts consist of textile and non textile items. Textile crafts include beaded jewelry, kiondo (basketry), sandals and clothing made from local fabrics like kitenge, kikoi and kanga. Non textile handicrafts comprise of wooden and soapstone carvings, metalwork and art work.

In Kenya, handicraft trade is done at designated places that are accessible to the tourists. In the capital city, Nairobi, handicraft traders sell at weekly open air markets and malls. Kenyan handicraft traders complain about competition from handicrafts imported from the East. The manufacturers from the East imitate Kenyan traditional handicrafts to compete with them. They copy Kenyan crafts then these handicrafts from the East are imported to Kenya and compete with locally made handicrafts. The East uses different materials, technology and mass production; hence they end up with less expensive products that are not as unique as handicrafts made using traditional materials and hand processes. The Eastern handicrafts are well priced and attract demand to the disadvantage of locally made products.

The east and west pose a further challenge to the export potential of handicraft traders by in-

^{*} Corresponding author E-mail : bosiborio@yahoo.com

fringement of patents. The Japanese patented the kiondo which is an indigenous Kenyan handicraft—a basket made of sisal and other locally produced fibres.

II. Research Summary

This research was intended to establish some of the challenges Kenyan handicraft traders face in marketing their products. The researcher interviewed 231 handicraft traders in Nairobi at four open air markets where they sold their wares. The research established that slightly more than half (54%) of the traders interviewed sold only textile related handicraft products while 46% sold both textile related and non textile handicrafts. Additionally, about one third of the traders (34.2%) sold handicrafts exclusively to locals, while two thirds (65.8%) sold both to locals and tourists. Five traders (2.2%) said that they sold exclusively to tourists and did not sell to locals at all. In addition, one quarter of the traders exported their products, while the remaining ones relied solely on customers in the local market to buy their products. Finally, nine percent of the traders exported handicrafts abroad using middlemen like brokers and export agents.

In reporting the challenges that they faced, eleven percent of the traders reported brokers kept the tourists away from buying handicrafts at the open air markets. Further analysis of their responses showed that majority of the handicraft traders did not export; they comprised 75% of the traders interviewed. Of these, only ten percent felt that they were satisfied with local sales and did not desire to enter the export business; while 12% felt that their businesses were still young and had not reached the level of entering the export market.

The research established three barriers to export among the handicraft traders who were not currently exporting and desired to do so. The most mentioned was lack of knowledge on export procedures (25%), followed by lack of capital (21%) and finally, lack of contact persons or links in the export location (16%). These findings on barriers

to export are similar to other researches done. In order for MSEs to export they need resources, namely information and finance.

III. Literature Review

Kenya government trade policies encourage small businesses to export but they have challenges that prevent them from exporting handicrafts (Ikiara & Ndirangu, 2003). Venturing into the export market is usually attempted after gaining a foothold in the local market. The decision by a trader or producer to export depends on the risk involved, competitive advantage and market attractiveness (Kotler, 1997). The exporter may also decide to change the products to meet the conditions (cultural, social, political, legal, technological and environmental) in the new export location. However, literature indicates that SMEs may not always benefit fully from exporting (Kotler, 1997; Harper, 2003). Some reasons for poor export performance are the lack of information about the needs of the customers in export locations, distance, complicated export procedures, poor infrastructure and communication systems.

IV. Conclusions

This research found that Kenyan handicraft traders are disadvantaged at marketing their products internationally due to several reasons; lack of resources to export, capital, market survey information; inadequate knowledge of export procedures; lack of contacts in export destinations and newly started businesses. Further hindrances to local handicraft trade are competition from the fake/counterfeit handicrafts from the East and the threat of infringement of intellectual property rights (for example Kiondo and Kikoi) from both East and the West.

References

- Harper, M. (2003). Problems in export marketing of wooden handicrafts to Europe. *Small Enterprise Development Journal*, 14(3).

- Ikiara, M. M., & Ndirangu, L. K. (2003). Developing a revival strategy for Kenya's cotton-textile industry: A value chain approach. Nairobi: Kenya Institute for Public Policy Research and Analysis (KIPPRA). Industrialisation Dilemma, 362-380, Nairobi: Heinemann.
- Kotler, P. (1997) *Marketing Management: Analysis, Planning, Implementation and Control* (9th Edition). New Jersey: Prentice Hall, Inc.