PRIVATE ENTERPRISE FOUNDATION

SURVEY ON PATRONAGE OF MADE-IN-GHANA GOODS

PEF Research Series No.98/001

FOREWORD

The Ministry of Communication during the latter part of 1997 initiated discussions with relevant stakeholders including the Association of Ghana Industries (AGI), Ghana National Chamber of Commerce (GNCC), Ghana Union Traders Association (GUTA), and the Private Enterprise Foundation among others to find ways of promoting the patronage of Made-in-Ghana goods on a sustained basis.

At the initial meeting PEF indicated that it had already started some research work to determine what the characteristics of the Ghanaian Consumers are and what underlies their preference for goods produced outside the country. It Is believed that with an understanding of the behavior of the general Ghanaian consumer and his preferences, it might be easier to design a strategy that could assist in changing the preferences of the Ghanaian towards Made-in-Ghana goods.

This paper therefore is the result of that effort which we hope will serve as an input for drawing the necessary strategies that can be sustained to promote patronage of Made in-Ghana goods.

KWASI ABEASI
DIRECTOR-GENERAL

A SURVEY ON THE PATRONAGE OF MADE-IN-GHANA GOODS

Executive Summary

Background and Introduction

As an umbrella private sector business association charged with the responsibility of private sector business development in this country, the Private Enterprise Foundation (PEF) is concerne9 about the low patronage of Made-in-Ghana goods. There seems to be an unexplained preference for foreign goods, as opposed to locally manufactured goods. Such consumer attitudes impact negatively on the growth of local industries and the situation must be addressed and the trend reversed.

There is, therefore, the need to uncover the reasons for this trend and make recommendations to improve the patronage of Made-in-Ghana goods. To achieve this PEF organised this survey.

The objective of this study, therefore, is to establish if there is any such unexplained preference for foreign goods and, if this is the case, to identify the factors responsible for such attitudes and make recommendations for the increased patronage of Made-in-Ghana goods.

Summary of Findings

+ **Preference:**

45.5% of the respondents preferred foreign goods to local goods, while 42.0% preferred Made-in-Ghana goods. The 12.5% who were indifferent indicated that they make their selection on a product-to-product basis

+ **Reason for Preference:**

90% of those who preferred imported goods to Made-in-Ghana goods, did so because they felt foreign goods are of superior quality.

+ **Local Products:**

67.9% of those who opted for Made-in-Ghana goods, as opposed to imported goods, did so because they wanted to support local industries and the Ghanaian economy as a whole.

+ **Product Choice Factors:**

When asked to rank quality, price, appearance and availability, 76.5% of the respondents considered quality as the most important criterion, while 14.5% considered price as the most important.

+ **Product Quality:**
69.7% of the respondents perceived the quality of Made-in-Ghana goods to be only fair (59.7%) or poor (10%).

Only 30.3% rated the quality of Made-in-Ghana products as "good."

+ **Product Appearance:**
Only 26.6% of the respondent, 3 rated the packaging of Made-in-Ghana products as "good."

72.4% of the respondents said the appearance of Made-in-Ghana goods is only fair or poor.

+ **Price of Made-in-Ghana goods:**
The majority of the respondents --56.1%-- evaluated the price of Made-in-Ghana goods as "expensive"

+ **Quality Evaluation:**
On the question of how respondents evaluated quality, 78.4% equated quality to durability, 8% rely on recommendations from friends and family, while 61% look at the country of origin. A mere 2% are influenced by advert content.

+ **Recommendations for increased patronage of Made-in-Ghana goods:**

92% of all respondents made recommendations relating to improvement in quality and reduction in price of Made-in-Ghana goods.

49% of respondents' recommendations suggested Government support for local industries, including a media campaign to promote Made-in-Ghana goods and reduction in taxes.

CONCLUSION

There is no overwhelming evidence to suggest that Ghanaians have a blind preference for foreign goods. The preference for imported. Goods is occasioned by a host of prevailing factors, including the belief that Made-in-Ghana goods are of inferior quality and too expensive.

Quality is the strongest preference factor in consumer product choice and price is the next most important. Every effort should be made to improve quality of Made-in-Ghana goods to make them more competitive. Since price is such an important factor in product choice, the various factors that? influence the price of Made-in-Ghana goods, especially taxes, should be reviewed.

The majority of those who preferred Made-in-Ghana goods do so because they want to support local industries.

This result notwithstanding, there is some evidence suggesting blind preference. One respondent who chose "Castle Bridge " as the most preferred gin did so because "it is foreign". Others also evaluated quality of a product by looking at the country of origin.

BACKGROUND

The Private Enterprise Foundation has been concerned about the low patronage of Made-in-Ghana goods. It has been observed that local manufacturers face unprecedented competition especially from imported substitutes. There seems to be some negative consumer attitudes towards Made-in-Ghana goods and an unqualified preference for imported goods. This has had a negative impact on the growth and profitability of local industries. There must be some underlying factors for this unqualified preference for imported goods on one hand and the negative attitude towards local products on the other hand.

It is necessary to stimulate the patronage of Made-in-Ghana goods as a means of promoting production, employment and growth in the local economy. There is the need to uncover the reasons for this perceived preference for imported goods and/or the factors militating against the patronage of domestic goods as a lead to providing some solutions to the problems of patronage of Made-in-Ghana goods.'

The Private Enterprise Foundation therefore organised this study on **"Patronage of "Made-in-Ghana goods"** to identify these factors and make necessary recommendations towards addressing these problems.

OBJECTIVES OF THE STUDY

Specifically, the study is designed to achieve the following:

+ To identify the factors militating against the patronage of Made-in-Ghana goods.

+ To determine the relative effects the above factors have on the patronage of Made-in-Ghana goods, and to rank these factors in terms of importance.

+ To identify the preference factors for imported goods and determine the relative importance of each factor.

+ To determine from distributors and wholesalers of foreign and domestic goods, the factors that influence their choice of particular imported over locally produced goods.

+ To determine the perception of Made-in-Ghana products by some selected organizations.

+ To elicit suggestions from respondents on how to increase the patronage of Made-in-Ghana goods.

+ To make recommendations based on the interpretations of the data gathered, within the ambit of the Uruguay Round on free trade to increase the patronage of Made-in-Ghana products.

SURVEY DESIGN

Questionnaire Design:

Three types of focused questionnaires were designed and pre-tested among 3 different groups to assess their suitability for the survey. The final sets of questionnaires were then administered to the three (3) different groups. These three (3) groups are:

a) 201 consumers randomly selected in 4 areas in Accra.

b) 10 professional organisations, institutions and business associations re deemed to have good knowledge of production and commerce in Ghana. These are the Association of Ghana industries(AGI), Ghana National Chamber of Commerce (GNCC), Chartered Institute of Marketing Ghana (CIMG), Ghana Union Traders Association (GUTA), Ghana Standards Board (GSB), Consumer Association of Ghana, Nestle Ghana Ltd. and Unilever (Gh.) Ltd.

c) 21 distributors of various classes and kinds who deal with retailers and final consumers; these include distributors and retailers at Makola, New Achimota, Abeka Lapaz, Nungua. Accra UTC Area, Osu and Kaneshie Market.

The areas for the interviews were purposefully chosen to have a good representation of the consuming public of Accra. The selection of the distributor group was also done in a manner to ensure that distributors of different sizes and kinds were included.

The second and third sets of questionnaire which were basically qualitative in nature were administered to professional bodies, business associations and other private and public institutions deemed to have intimate knowledge of production and commerce in Ghana. The questionnaire sought respondents' views on various issues relating to Made-in-Ghana goods and their recommendations on how to increase the patronage of Made-in-Ghana goods. Provision was made for follow up on issues raised that needed further elaboration or clarification.

QUESTIONNAIRE ADMINISTRATION:

Under the supervision of PEF, the 201 questionnaires were administered by four (4) polytechnic marketing students over the course of 14 days.

The consumer questionnaire had two parts. The first part was on consumer demographics and general views on Made-in-Ghana products while the second part focused on consumer preference for particular goods and the reasons for such preference.

The consumer questionnaire contained 10 questions which sought, in the main, precise and qualitative responses. It however included portions for consumers' comments and recommendations. The questionnaire had a very high response rate since the researchers interviewed only respondents who were ready and willing to respond. On the whole only one response was discarded as invalid as it was improperly completed.

The 21 distributors and retailers were interviewed by 3 researchers from PEF. The interviews were usually held in the respondents' offices and shops which provided the opportunity for both respondents and interviewers to illustrate their views with actual physical products and samples and also to directly observed consumer and traders interact. The distributors/retailers questionnaire consisted of 10 questions, but with enough flexibility to allow for free expression of other views not specifically asked for. Such views usually formed the basis of useful discussions which brought fresh ideas and issues to bear on the subject of the survey.

The other 10 qualitative questionnaires were sent to selected organisations and professional bodies. The respondents provided written answers and follow -up meetings were arranged for further discussions.

SAMPLE SELECTION:

The sample selection process cannot be considered scientific due to the difficulty in obtaining a good sample frame within the limited time available for the survey. Care was, however, taken to ensure that the respondents formed a good representation of the consuming public.

The selection process may be perceived more of a stratified sampling process where the areas chosen represented various strata and characteristics of the consuming public, encompassing the less affluent, middle class and wealthier mml:<ets, in addition to covering Ghanaians with a great deal of business exposure.

SAMPLE PRODUCTS:

The Ghana Statistical Service (GSS) basket of products used for the Consumer Price Index was consulted in order to select goods for the survey.

After a number of visits to the main markets in Accra it was decided to limit the survey to products which have good Made-in-Ghana substitutes. Therefore, the study concentrated on manufactured household consumables, stationery and textiles since these goods seem to be the product categories for which Ghanaian producers have provided direct substitutes.

ANALYSIS:

The data entry and analysis of the unedited tabulations were done in house by the researchers themselves. To ensure a high degree of accuracy, the entry of data was cross checked.

The analysis of both quantitative and qualitative responses, as well as other inferences made from discussions, provide good insight into customer preference behavior and offer an equally good measure of recommendations to stimulate the patronage of Made-in-Ghana goods.

LIMITATIONS:

The sample selection procedure should not be considered scientific. It is basically a stratified sample selection approach modified by convenience sampling and is limited to household consumables, books and stationery and textile products. This means that the outcome of this study could refer mainly to these sectors. The consumer sample size is a mere 201. This, however, is balanced by the inclusion of views gathered from manufacturers, professional groups, distributors, importers and other business associations. Notwithstanding the aforementioned, the findings, conclusions and recommendations may generally apply to a wide range of Made-in-Ghana goods in other product categories.

FINDINGS:

+ **Demographics:**

In all 201 consumers responded to the consumer questionnaire. Another 30 distributors, professional organisations and relevant bodies responded to the qualitative questionnaire. Of the 201 consumers who responded to the questionnaire, 117 (58.2%) were male, while 84 (41.8%) were female. Respondents were chosen from these 3 areas in Accra as follows:

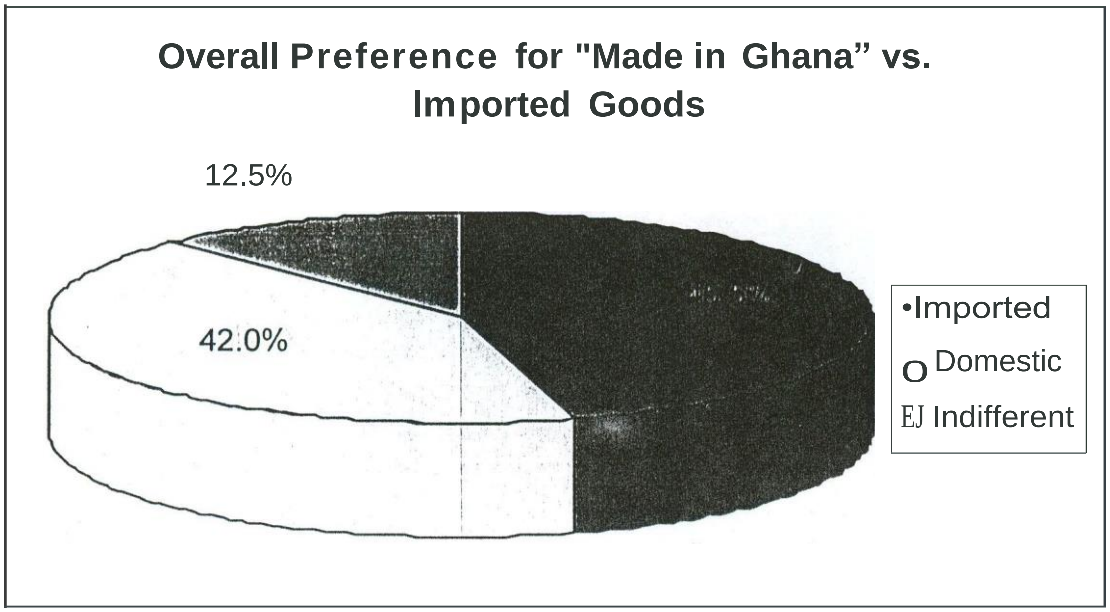
AREA 1	St. Johns/Achimota/Dansoman/1Mendskrom/ Sakumono	100
AREA2	Russia/Nima/Bukom/ Teshie/ Nungua	61
AREA3	Tesano/Airport R.A/Labone/East Legon	40

The 26-40-year age bracket was the largest group represented in the survey, making up 44.3% of the total number of consumers interviewed. The overall age distribution table is as follows:

Age in years	No of Respondents	Percentage
18-25	64	31.8%
26-40	89	44.3%
41 -59	41	20.4%
60 +	7	3.5%
Total:	**201**	**100.0%**

+ **1) Preference**

When asked to indicate a preference between imported goods and Made-in-Ghana goods, 45.5% of respondents preferred foreign goods, 42.0% preferred Made-in-Ghana goods, while 12.5% were indifferent and will make their preference on product to product basis.

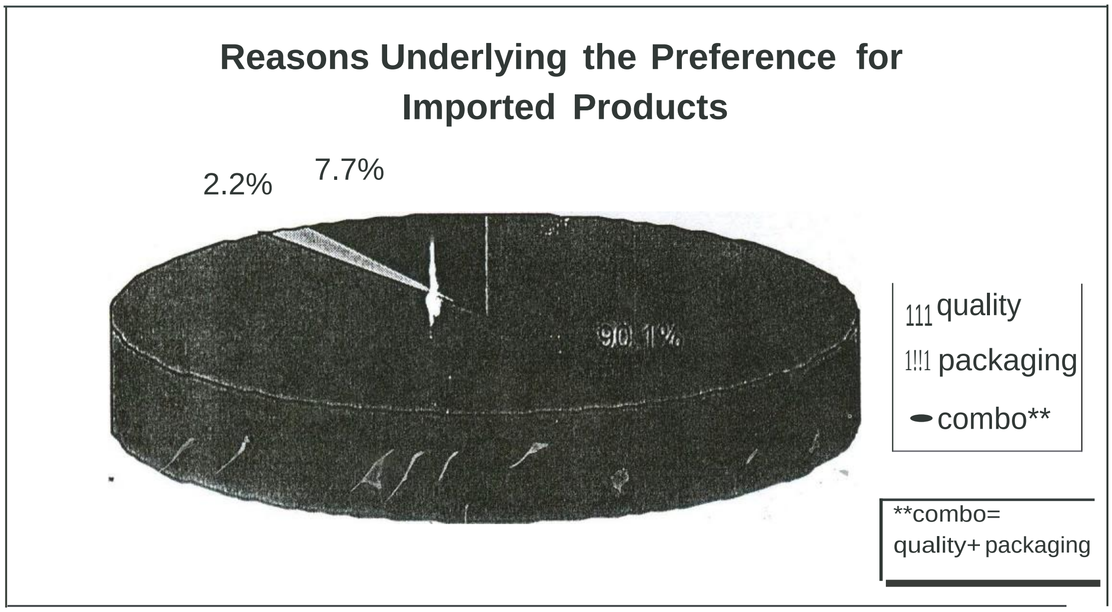


Nobody in the 60+ age group preferred foreign goods to Made-in-Ghana goods. 28.5% preferred Made-in-Ghana goods to foreign goods, 57.1% are indifferent and 14.45% did not respond.

The age distribution in the other age groups is quite even and therefore not significant.

- **2a) Reason for Preference**

When asked to justify their preference for imported goods, 90% of those who prefer imported goods to Made-in-Ghana goods, did so because they felt they are of superior quality; another 2.2% prefer imported goods because they are better packaged 7% justified their choices on account of combination of factors which include quality, price, packaging and acquired taste.



2b) Local products

Of those who opted for Made-in-Ghana goods as against imported, 67.9% of them do so because they want to support local industries; 21.4% of them choose Made-in-Ghana goods because they believe the quality is better only 4.8% of them choose Made-in-Ghana goods because they believe it is cheaper than its imported substitute.

3) Choice Factors- Overall

When asked to rank quality, price and appearances in their product choice decision, 76.5% respondents consider quality as the most important criterion while 14.5% consider price as the most important. Another 5% put the highest premium on packaging.

4a) Choice Factors - Specific

Quality

69.7% of respondents perceive the quality of Made-in-Ghana goods as fair (59.7%) or poor (10%) only 30.3% rated the quality of Made-in-Ghana goods as good.

Appearance

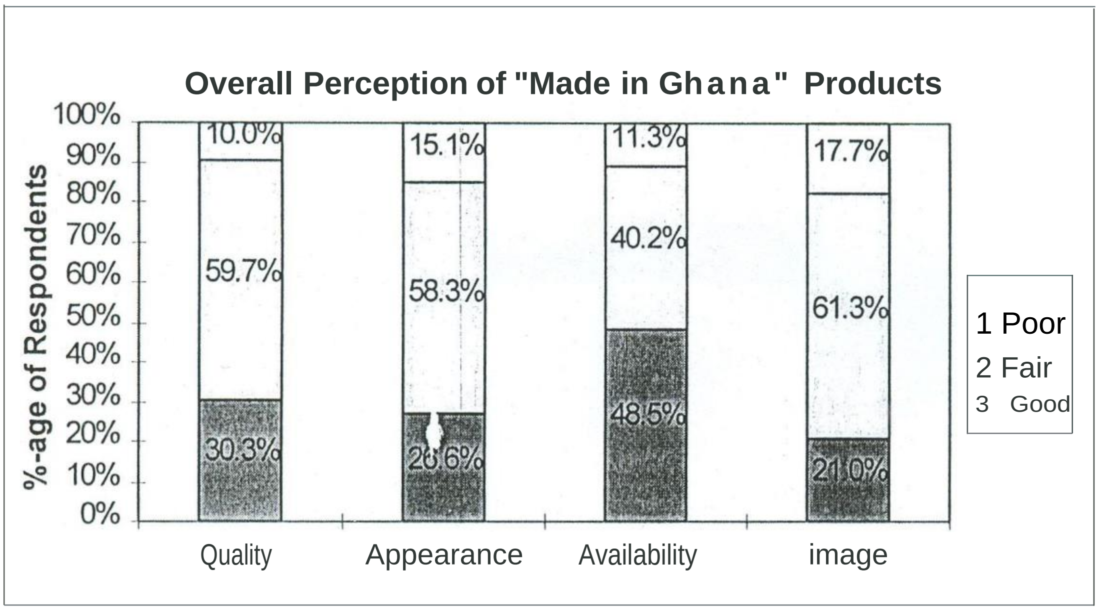
On how respondents perceive the appearance and packaging of Made-in-Ghana goods only 26.6% of respondents rated the packaging of Made-in-Ghana goods as 'good' a massive 72.4% say the appearance of Made-in-Ghana goods is only fair or poor.

Availability

88.7% of respondents think that Made-in-Ghana goods are fairly available while 11.3% think product availability is poor.

4b) Price of Made-in-Ghana Goods

The majority of respondents --56.1%-- evaluate the price of Made-in-Ghana goods as "expensive," 38.3% think the price is just right and only 5.6% evaluate the price as "cheap."



+ **5) Evaluation of product categories**

Food & Beverages

When respondents were asked for an overall evaluation of manufactured food and beverages, 97.4 % of respondents evaluated Made-in-Ghana manufactured food and beverages as either "good" (80%) or "fair (16.4%) while only 2% perceive Made-in-Ghana food and beverages consumables as poor. 1.5% could not express an opinion on it.

Household Consumables

Asked for an overall evaluation of household consumables, 93.9 % respondents evaluated Made-in-Ghana consumables as either "good " (41.7%) or "fair (52.2%) while only 5% perceive Made-in-Ghana household consumable as poor

Furniture

92.4% of respondents evaluated Made-in-Ghana furniture as either good or fair and 6.4% perceive it as poor.

Ttextile products

When asked for an overall evaluation of Made-in-Ghana textiles 92.6 % of respondents evaluated Made-in-Ghana textiles as either 'good " (63.8%) or "fair" (28.8%) while only 6-4% perceive Made-in-Ghana textiles as poor. 1% could not comment.

Stationery

Made-in-Ghana stationery is considered by 89 % as either good (52.7%) or fair (36.3%) and 7.9% think it is poor. Roughly another 3% could not express an opinion on it

Industrial goods

45% of respondent think made in-Ghana industrial products are "good" 37.3% evaluated it as "fair" and 10.4% as poor. 7.3% could not express an opinion on it.

Hardware

5% of respondents classify Made-in-Ghana household consumables as poor another 4.8% could not express an opinion while 90.2% evaluate it as either good or fair

+ 6) Price & Quality

52% of respondents think that price is a reflection of quality while 48% do not agree with this proposition.

+ 7) Quality Evaluation

On the question of how respondents evaluate quality, 78.4% equate quality with durability, 8% rely on recommendations from friends and family, while 6.1% look at the country of origin. A mere 2% claim they are influenced by advertising content in evaluating quality.

In their evaluation of product quality, only' females' respondents indicated that they are influenced by country of origin, friends and family members and advertisement.

Al males equate quality of a product to "durability" of the product.

+ 8) Recommendations for increased patronage

92% of all respondents made recommendation relating to improvement in quality and reduction in price of Made-in-Ghana goods.

• 49% of respondents recommended "Government support" for local industries, including a media campaign to promote Made-in-Ghana goods and a reduction in taxes and the overall cost of doing business in Ghana.

+ 9) Specific Products Preferences

Respondents were also asked to make specific product choices from a list of both local and imported products from 14 product categories. The 14 product categories are some of the product areas where Ghanaian industries have

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provided good product substitutes. The exercise was therefore to test whether Ghanaians have a blind preference for imported goods.

The product groups are:

Milk products

77.1% of the respondents chose locally produced Ideal milk as opposed to Peak milk, Carnation milk and other domestic and imported brands. Another 16.4% chose peak milk, while 1% chose carnation milk. 10% of interviewees either do not use milk or prefer other imported brands.

90% of those who made the choice for Ideal Milk think it is of better quality than the other brands while 10% said they buy it because of established brand loyalty.

Toilet Tissue

Jolly toilet tissue was established as the most preferred toilet tissue. Preference for the other brands was as follows: Rose 23.5%, Fantasies 12.5 %, Soft Flower 6.5%, Comfort 3%. Another 3% were undecided, while some 2.5% lf respondents do not use toilet tissue.

Laundry Soap (Bar)

74.6% of respondents prefer Key Soap to other laundry soaps. The preference list is as follows: Brilliant 10.4%, BF 4%, King 2%, Canoe 2%, Duck 2% and Guardian 2%. Another 2.5 %of respondents use other local and imported laundry soap.

Laundry Soap (Powder)

Omo was chosen by 80.5% of respondents compared with 14.5% for So Klin and 3% for Jet. Another 2% do not use powder soap because it makes clothes fade.

Toilet Soap

Lux is the most preferred toilet soap chosen by 31.85% of respondents. The preference list is as follows: Geisha 19.55%, Rexona lime 15.5% Palmolive 11.0%, Ayu 5.5%, Cussons 4.5%, Elephant 0.5%, 11% of respondents were either undecided or use other orands notably Key soap.

Disinfectants

Dettol is the most popular disinfectant preferred by 59.2% of respondents. The preference list is Crusade 11.5%, Camel 6.5%, Roberts 4.5%, Septicare, Harpic, and Jeyes each 0.5%
16.4% of respondents do not use any disinfectant.

Toothpaste

Locally produced Pepsodent is the most preferred toothpaste and was chosen by 48.7% of respondents. Other brands selected were: Close-Up 26.9%, Colgate 11.5%, Maxam 6.5% and other brands 5.5%. Roughly 1% of respondents claimed that they do not use toothpaste.

Mosquito Coil

34.3%. of respondents chose Raid as the most preferred mosquito coil. The preference list is Good Night 14%, Deer Brand 8%, and Black Tiger 2%, Sun City .5%, Attack .5% and other 1.5%.
38% of respondents do not use mosquito coils.

Cooking Oil

72.6% of respondents chose Frytol as the most preferred cooking oil. Their preference list is: Dinor 10%, Sankofa 8%, Victoria 2% Oki 2%.

75% of those who choose Frytol said they prefer it because either it is cholesterol free or tastes good.

75% of female respondents chose Frytol as against 70.1% of male respondents. Overall, 5.5% use other cooking oils.

Bouillon Cube

The preferred l:st of bouillon cube is as follows, Maggi 43.5% Royco 37.5%, A1 5% Maggi cube is tile most preferred bouillon cube.

14.4% of respondents do not use bouillon cube.

Cocoa drink

Local Milo drink is the most preferred cocoa drink. The preference list is: Ovaltine 8.5%, Chocolim 5.0%, Bournvita 4.5%, All time 3.5%, other cocoa brands 2%.
7.5% of respondents do not consume any cocoa.drinks.

Beer & Stout

The preference list for beer is as follows: Guinness 33.5%, Club 12.9%, ABC 10%, Star 6.4%

35% of respondents do not drink beer while 3% drink other imported beer and other local drinks like pito and palm wine. The most preferred beer is Guinness, accounting for 33.%.

Of the number who do not drink beer 90% of them do not drink beer because of religious reasons. The other 10% do not drink beer for other reasons including economic, social and health.

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Gin

Akpeteshie is the most popular gin chosen by 14.5% of respondents. The preference list is: Castle Bridge 13.5%, Kasapreko 7%, Bright 1.5%, Mac Jones 1% and others 1.5 %

72.6% of females do not take gin compared to 53.7% of male interviewees who do not take gin of any kind.

61.2% of respondents do not take gin for health, religious, economic and social reason. The major reason for abstinence is religious.

Textiles

The most popular textiles are African Prints. (GTP, Akosombo etc.)36.8% of respondents chose African Prints, Dutch wax print follows strongly with 30.5% preference rate. The preference list Batik design 18.9%, English wax
5%, Abidjan prints2.5% .and others 6.5%.

Hair Conditioner

Claricer hair conditioner was chosen by 42% of respondents as the most preferred. The preference list is as follows: Blue Magic 14%, Dax 8%, Indian Hemp 4%, Vagabond 3.5 % and other brands (especially Vaseline and Shea butter) 20%.

11% of respondents do not use hair conditioner of any kind.

48.8% of females chose Claricer as against 36% males.

38.5% of males do not use any kind of hair conditioner.

Hair Relaxer

UB, is the most preferred hair relaxer, chosen by 22.5% of respondents. The preference order is as follows: Revlon 10.5% Venus 8%, Natural Beauty and Bone Strait 2% each.

42.5% of respondents do not use hair relaxer and a further 16 % use other brands apart from the listed brands.

DISTRIBUTORS

This section deals with the questionnaire administered to the distributors and other selected bodies and institutions.

In total 21 distributors were interviewed. The distributors are located in Mokola Market, Accra Central UTC, Teshie/Nungua, High Street and Osu.

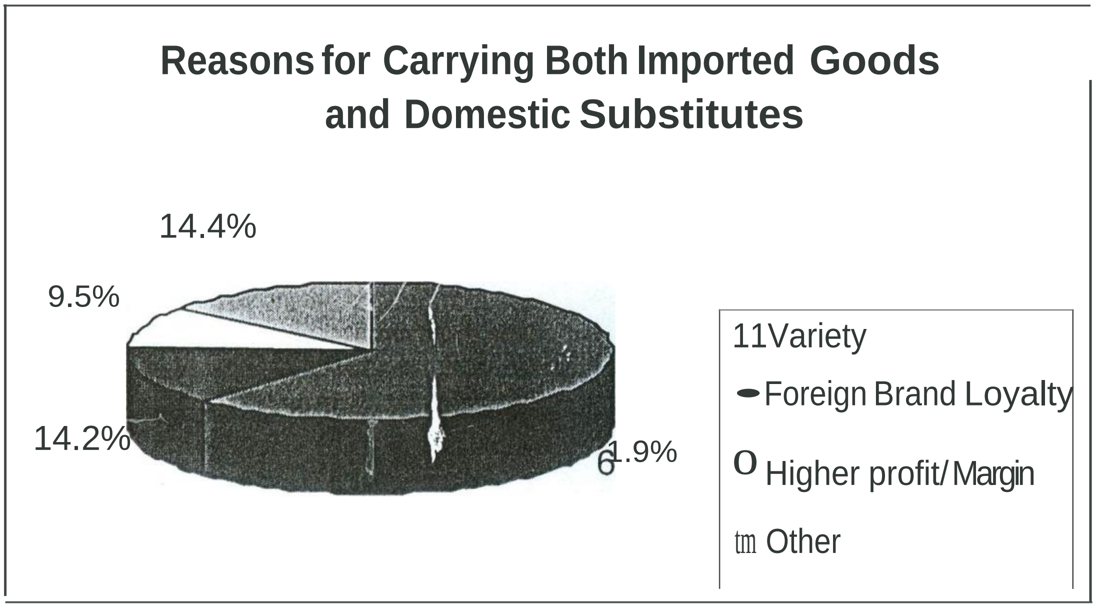
- of the respondents act as both wholesalers and retailers while 28.6% are solely retailers.
- of the respondents' stock only between 1-25% of Made-in-Ghana products.
- of the distributors stock only Made-in-Ghana goods. These are distributors for local firms who are using the firms' sales outlets and are therefore not allowed to sell any competitive products. They include textiles and Unilever distributors operating the UAC stores.
- of the distributors stock between 26-50% of Made-in-Ghana goods.

- The commonest Made-in-Ghana goods on the market are Unilever household consumables. The next commonest local products are textile products and food and beverages. Primary and JSS textbooks prescribed for use in local schools are also quite common. This is explained by the fact that local publishers have the exclusive publishing rights.

+ 7)

To the question why distributors stock imported products when there are good local substitutes

- 61.9% said they do so to provide a better variety in order to satisfy their customers' wide range of demands.
- 14.2% said certain customers, especially those who have lived abroad for some time, have developed brand loyalty for certain products and would want them by all means.
- 9.5% said they do on account of "price" and profit. Foreign goods usually give a better profit margin compared to local products, since they are usually cheaper than their Made-in-Ghana substitutes and they sell faster.



+ 8a) Imported versus Local Products

When asked whether Ghanaians generally prefer imported or local products, 19% of the distributors said their customers normally prefer Made-in-Ghana goods, 14% said the customers prefer imported products, 19% said it depended on price while 14% indicated that both price *and* quality were important considerations. Overall, 33% were not in a position to determine this particular preference.

All the distributors who maintained that their consumers prefer Made-in-Ghana goods to imported goods are distributors of household consumables and food and beverages.

Those who indicated that customers generally prefer imported goods are operating in stationery, food and beverages product categories.

The greater majority, 33%, who could not determine their customers' preferences are distributors of more than two product categories.

8b)
When asked to name foreign products particularly preferred over local substitutes, customers mentioned the following for the underlying reasons:

Biscuits
Foreign biscuits are particularly preferred because customers know they are of better quality. Again, the local substitutes lack variety both in kind and pack sizes. Virtually all of the local biscuits are packaged in very small sizes and only suitable for children and none is packed in larger units for family and social use.

Fruit Juice
Local fruit juice products lack variety. In recent times some new flavors have been introduced but still a few more flavors can increase the patronage. Again pack size is too small for family or group usage. The other fruit juices that are imported into the country offer more variety both, in flavors and in pack sizes.

Stationery
Exercise books imported from Nigeria, for example, are preferred over local exercise books because the paper quality is better and cover designs are more attractive to school children. Local envelopes (both letter & parcel envelopes) are made of inferior brown paper and adhesive and therefore imported ones are preferred.

Leather Products
Local leather products like bags and footwear cannot stand extensive usage because of inferior material input and workmanship.

9) Factors Militating Against the Patronage of Made-in-Ghana Goods

When asked of the key factors which militate against the patronage of Made-in-Ghana goods, the following factors were identified:

Militating Factor	Frequency M mentioned	Percentage
Quality related	25	32%
Price related	15	19.2%
Packaging	1	14.1%
1-'oor image/ status	11	14.1%
Lack of variety	4	5.1%
Supply failures & shortages	4	5.1%
Foreign taste	3	3.9%
Low distributor margins	3	3.9%
Smuggling	2	2.6%
Total	78	100.0%

PRODUCT QUALITY RELATED PROBLEMS

These account for 35% of all the problems cited. The problem relates to poor product quality and inconsistency in product quality.

PRICE

High product price accounts for 10% of the enumerated problems. The respondents feel that the prices of Made-in-Ghana goods are generally high.

PACKING

Packaging problems include the use of inappropriate material for packaging, low quality packaging for storage and shelf life, unattractive packaging, inadequate labelling information, including lack of data on product content, user/usage information, expiry dates etc.,

FOREIGN TASTE

This is an independent problem not related directly to the products or producers. Certain consumers have acquired foreign taste brand loyalty due exposure to foreign products.

smuggling/ UNCUSTOMED GOODS

Some imported goods are either totally uncustomed or only partially customed thus attracting lower taxes and are, therefore, sold cheaply, thus making local substitutes uncompetitive. Examples given include Nescafe, textiles and Dinar Oil.

LACK OF VARIETY

Local products generally lack variety and are, therefore, unable to satisfy the range of customer tastes. Furthermore, there appears to be little differentiation in pack sizes or product quality for a given brand, e.g. economy versus industrial pack, premium versus regular etc. Imported products satisfy the variety criterion and are therefore better patronised.

DISTRIBUTORS MARGINS
Distributor margins on local products are quite low and therefore the motivation to stock foreign goods is higher. Distributor margin is usually around 10% while imported goods distributors make around 20%.

SUPPLY/SHORTAGES
Domestic manufacturers' output is unable to meet total demand and leaves considerable room for imports to fill unsatisfied demand. Again, local producers face periodic shortages and imports are used to even out supply shortages. This development sustains the surge of imported goods., taxes on finished goods

SUGGESTIONS

Respondents' recommendations to increase the patronage of Made-in-Ghana goods include the following improvements:

	# of Recommendations
+ Quality related	12
+ Price related	6
+ Packaging	6
+ Product Availability	2
+ Product Variety	2
+ Effective marketing	1
+ Lower taxes	3
+ Reduce smuggling.	3
+ Offer protection/ government support	5
TOTAL	40

Quality related issues
Quality related issues featured more prominently in the suggestions. A total of 12 out of the 40 (30%)suggestions related to quality improvement. The suggestions relate to quality improvement through customer research, use of better raw materials, and consistency in quality delivery. The acquisition and use of modern technology and machinery featured prominently. Government was therefore requested to assist local industries re-tool to increase efficiency.

There is also a call for an appreciation of quality and upgrade of the Ghanaian producers’ concept of quality. Producers are advised to always have their own company standards which should be over and above the

national standards. Standard set by the Ghana Standard Board's should be seen as the minimum requirement and not a sufficient requirement to survive competition.

Packaging

Six (6) out of the 40 (15%) suggestions were on improved packaging. Respondents want to see Ghanaian goods well packaged to meet international standards and suitable for rigorous handling, storage and shelf life. This should include attractive packaging, in addition to adequate labelling. In other cases, packaging materials are unsuitable for the product, for distribution and for shelf life. There is a suggestion for massive producer education to appreciate the role of packaging in product image and selling.

Price reduction

Price reduction related suggestions constitute 15% of all suggestion made. The suggestion is for government to reduce or remove duties on raw material inputs, and also for increased efficiency of the economic infrastructure like water electricity, insurance, and communication services.

Smuggling/ uncustomed goods

Uncustomed goods give the importers and the foreign products undue advantage over local substitutes. Government is requested to strengthen CEPS, institute stiffer penalties for trade offenders including seizure of such goods, and offer incentive for compliance by way of reducing import duties.

Product Variety:

Approximately 5% of the suggestions related to the need to increase the variety of local products.

Producers could offer consumer variety by modifying some of their current products. For example, Astek and other producers in the fruit and soft drink industry, offer only small pack sizes. In order to compete with foreign competitors, it is suggested that a company ‘like Astek produce %-litre and one-litre size packs for family, beach and office use. In essence, local firms should look for niches and unsatisfied needs in order to provide greater variety for the mar et.

Product availability

5% of the suggestions made were to improve patronage of local goods relating to the need for regular and continuous supply of local producers. Local producers are plagued with periodic shortages of their products especially when it matters most (e.g. during Christmas). Local suppliers’ must also improve the distribution system to ensure product availability in the right outlets.

Protection of local industries

12.5% of the respondents want government to take actions to protect and promote local industries. These include concessional loans and a reduction in interest rates, reduction in taxes, imposing higher duties on imports and promotion of the patronage of Made-in-Ghana goods.

Government is urged to lead a crusade of patronage of Made-in-Ghana goods where Government officials and opinion leaders would be used as role models for others to follow. A related suggestion was to use some carefully selected Made-in-Ghana goods of exceptionally high quality as samples for a media campaign in support of Made-in-Ghana goods. Products of outstanding quality suggested include: Crocodile machetes, Electric cables, Astek Food Drink. Respondents believe t 1at effective results can be achieved using promotional tools similar to "Operation Feed Yourself' and "Buy Made-in-Ghana" campaigns, which were implemented in the 1970s. Others also made references to countries, like Britain, which have boosted the sale of the local industries through "Patronise Local Products" schemes.

'RECOMMENDATIONS

The following recommendations are the synthesis of our findings, suggestions received and our own knowledge and understanding of the Ghanaian economy and local industries.

Quality

The most common factors militating against the patronage of Made-in-Ghana goods are poor quality, high prices and poor packaging. These, to us, are symptoms of some underlying problems. We therefore recommend the following:

Producer/manufacturer education should be developed to appreciate and understand the concept of quality in totality and the role quality plays in the patronage of goods and services. Producers should have their own. company standards of quality. The Ghana Standards Board's (GSB) standards should be the minimum requirement. This means that producers must not only endeavor to meet the requirements set by the GSB but go beyond that. to achieve competitiveness.

With globalisation, local producers can no longer decide to compete only in domestic markets and on their own terms. Instead, today's international competition must conform with GATIIWTO terms. The local producer concept of quality should be extended to cover international quality standards. Producers should be familiar with the International Standard Organisation 9000 (ISO 9000 series) and be assisted to conform to its tenets.

The GSB should also be strengthened to be able to enforce standards requirements on the Ghanaian market. There is also the need for greater collaboration between the GSB and the business community; especially with respect to producers, a relationship of partnership and information sharing should exist.

Furthermore, there appears to be a need for a standardised guide or handbook which concisely outlines the various regulations established by the GSB. This would enable anyone, including members of the general public, to have access to information concerning products and services available in the market and the minimum standards required. There appears to be a vacuum in what is the acceptable standard. Unfortunately, the current situation leaves much room for misinterpretation and misapplication of regulations relating to the rights and obligation shared by producers and consumers.

The problems of quality and packaging are often symptoms of the use of old and outdated technology and equipment. Government could assist targeted industries in re-tooling by offering concessional interest rates.

The problem of poor packaging is not different from the quality issue and should be treated alongside the quality issue. In particular, it has been found that packaging of many Made-in-Ghana products lack sufficient information about the product itself; in sane cases the products are not even adequately protected. The following can thus be recommended:

1. Manufacturers of food products should be required by law to list all ingredients of which the product is made; these should be listed in order of their percentage content, beginning with the highest.
2. All labels should also be required to list a potential expiry date, in addition to information relating to storage and best use of the product.
3. Packaging for food should be durable in nature so as to prevent any form of exterior contamination. One of the best means for ensuring that products have not been contaminated or tampered with would be the mandatory imposition of security food seals.

The aforementioned recommendations should be implemented through the Ghana Standards Board.

Cost of Production / Price

One of the main concerns that producers have is the high rate of taxation that exists in the manufacturing sector. Currently, raw materials are taxed at a rate of 10% while finished products are taxed another 15% sales tax. The range of taxes include import duty, purchase tax, sales tax, and excise duty Furthermore, a tax is impose (upon a select number of goods considered to be luxury items. The final result is that the average Made-in-Ghana product is too expensive when compared to an imported substitute. This, obviously, puts local producers at a disadvantage when they must compete with cheaper imported goods which may, in some cases, be even of better quality.

Another great impediment to domestic manufacturing industries is the combination of high inflation (30%) and high interest rates (40-48%). There is a need to review the tax regime as it affects imports and local goods. Efforts at lowering inflation and interest rates must be intensified.

Media Education

Government should support the PEF and AGI to launch a media campaign which promotes the patronage of Made-in-Ghana goods. In doing so, the campaign should focus on the issue of quality and the need to support local industry. In particular, emphasis should be placed on the benefits that support for domestic products creates, e.g. employment, greater revenue for infrastructural development etc.

Part of such a media campaign could also focus on Ghanaian products which have won international awards and recognition (e.g. domestic chocolates). Producers of the selected goods could take an active and supportive role in promoting Made-in-Ghana products.

Education/Training

A greater number of resources need to be invested into the training and development of employees in every sector, particularly, in the area of manufacturing. To ensure the maximum utilisation of resources, this may be achieved through the establishment of centralised training centres. While centralisation may often be viewed as a hindrance due to the resulting bur13aucracy, it is important that these training centres be organised in such a way, so as to standardise the education that individuals receive.

In general, manufacturers should also educate the consumers of their products as to how they may derive maximum satisfaction and performance from these goods.