

# MARKET RESEARCH FOR RENEW

## STARCH IN GHANA

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### Introduction

Due to regionalization and global competition, many companies have turned their attention to other markets outside the domestic ones in anticipation of securing profitable market(s) for their products. Cormart (Nigeria) Limited is one of such companies, seeking to expand beyond its domestic borders. Cormart is a Nigerian trading company specializing in Industrial Raw Materials and Chemicals. It represents the business interests of top Multinational Companies that wish to do business in Nigeria. In line with its expansion strategy, Cormart seeks to introduce its newly developed spray starch product (RENEW) into the Ghanaian market. It, therefore, became necessary for the company to seek information about the potential market in Ghana for the new product. Cormart's need of potential market information offered the opportunity for the university-industry collaboration project, under the auspices of Bonn-Rhein-Sieg University of Applied Sciences (H-BRS), Germany and University of Cape Coast (UCC), Ghana. This resulted in the conduct of a survey of the Ghanaian market on behalf of Cormart by a student sponsored under the collaborative project. The project student was an international student from H-BRS, Germany, who was on a five-month internship programme at the UCC School of Business from September 2016 to February 2017, as part of her Business Administration studies.

At the UCC, the student was attached to the Centre of Entrepreneurship and Small Enterprise Development (CESED). At the CESED, the student's main task was to do research. The main project was to conduct the market research for Cormart as a potential partner of CESED. Starch is one of their key products and widely popular on the Nigerian market. The student's assignment was to determine the use of clothing starch in Ghana, the consumers' interest for this product, and to write a report on it. Thus, the purpose of the survey was to collect and analyse market information on people's starch habits in Ghana, in order to help the company analyse the business opportunities (if any) in the Ghanaian market. To this end, the survey was designed for the company to obtain insight in the starching market; know the starching preferences of potential consumers and understand the medium of promotion and placement preferred by the customers in this market. This was done by administering a questionnaire in several study centres of distance education run by the College of Distance Education of UCC across Ghana. Upon completion of the research, the findings of the study were disseminated to the contracting company by the student through a prepared report with recommendations.

### Background – CORMART Nigeria Limited

Since inception, Cormart has been on the forefront in impacting the lives of 160 million Nigerians in various sectors. Cormart was incorporated in 1981 as a trading company specializing in Industrial Raw Materials and Chemicals. It imports, stocks and distributes chemicals and other raw materials for the paint, confectioneries, cosmetics, pharmaceuticals, and food and beverage industries. Cormart has a long tradition of providing cutting edge and cost effective products and solutions with key focus on protecting the environment. It also continues to expand its product lines to meet emerging market needs.

Cormart is an associate of TGI, which is diversified with companies in four countries involved in manufacturing, agro-allied industries, import, export, distribution and strategic marketing in their areas of operation ([www.cormart-nigeria.com](http://www.cormart-nigeria.com)).

### **Purpose of the market survey**

For conducting the market research, the student had to design a questionnaire, administer it among a target population, analyse the results and write a report to be submitted to the company. It took the student several weeks to design the questionnaire. She discussed the first draft with a representative of the Nigerian company via Skype and the representative asked her to add more questions. Since there was no information on the clothing starch market in Ghana available at the time, the questionnaire had to be quite extensive to gather as much information as possible.

Prior to the start of the project, a supervisor was assigned to the student and an initial meeting was held between her and the supervisor to discuss and agree upon the requirements for her work. In this respect, the roles of student and supervisor in the project were clearly defined. At the meeting, the student and supervisor agreed on how they would interact and exchange information. The issues addressed included: meeting times, telephone communication, and correspondence by e-mail, and submission of project outputs in soft and hard copies. After the initial meeting, the supervisor requested the student to present and explain her research proposal, as agreed upon with the collaborating corporate partner, whereby she was offered the necessary suggestions and guidelines on how to proceed with the work. There were subsequent meetings between the student and the supervisor at the various stages of the project to address specific issues concerning the progress of work. All this was done to help the student to successfully complete the project on schedule. Finally, there was an exit meeting at the end of the project period for the proper closure of the exercise.

### **Methodology**

#### *Research approach*

The survey was guided by the following questions:

1. Do people in Ghana use clothing starch?
2. For which clothing is clothing starch used in Ghana?
3. Which brand of clothing starch is the main competitor in Ghana?
4. In which quantity do households use clothing starch?
5. Who is the Ghanaian consumer of clothing starch?
6. What are the consumer preferences regarding clothing starch?
7. Where do consumers buy their products?
8. Which medium of promotion is most favoured in Ghana?

The student adopted the survey approach for the study. The target population comprised the students of the College of Distance Education of UCC. The total number of this cohort of students at the time of the study was about 36,000. These students were considered, because they were mainly workers residing in the communities spread across the country. They also integrated people of different ages and different income levels and jobs. The respondents for the survey were deliberately selected from the ten regional capitals of Ghana. The sample size of the study was 500.

#### *Research Instrument*

The research instrument for the survey was a questionnaire. In preparing the questionnaire, the student's colleagues helped her word appropriate questions and find adequate categories for responses. This helped to ensure that the questions were unambiguous. The student sent the questionnaire to the contracting company for approval. She subsequently presented the final questionnaire to the supervisor for comments.

The questionnaire consisted of three parts. In the first part, respondents were questioned about their demographics in order to identify the Ghanaian clothing starch consumers. Also, there were questions on the following issues: who buys clothing starch, which clothing is clothing starch used for, which brand is used, quantity and costs of clothing starch. The second part contained questions on respondents' preferred appliance, packaging and scent of clothing starch. Other questions were on respondents' favored

places of purchase of household products and trusted promotional tools. The third component consisted of questions on the measurement of consumers' preferences of clothing starch. The questionnaire was pre-tested with the cohort of regular students in the School of Business of UCC. This was to test the reliability and validity of the instrument.

#### *Data collection procedure*

Since the internet connection in Ghana was unreliable and many people did not have access to the internet at home, it was necessary to administer the questionnaire in person. The student proportionally distributed 500 questionnaires over the ten main study centres of the College of Distance Education located in the ten regions of the country.

Permission was initially sought from the Regional Resident Tutors and the study centre co-ordinators at the various Centres. The centre co-ordinators assisted in the administration of the questionnaires. The completed questionnaires were returned through the officials from the headquarters in Cape Coast, who were responsible for visiting the respective study centres in the regions. The questionnaires were sent back bit by bit and some follow-ups were required. Due to improper completion of the questionnaires, the student needed to re-administer the questionnaires in a particular Study Centre. The response rates at the end of the period for the first part were 63.4 % (317), 51.8 % (259) for the second part and 65.2 % (326) for the third part, which were quite appreciable.

Since the questionnaires were paper-based, the student had to enter the data manually into SPSS and Stata. She used simple cross-tables to analyse most of the data. She looked for correlations between demographic characteristics and the use of clothing starch, to see if it was possible to establish a market segment of clothing starch users. Also, she found out which brand of clothing starch was used most in Ghana, in which quantity and what the costumers' preferences were. After analysing the data, the student prepared graphs and wrote a report, which was sent to the contracting company.

## **Results and discussion**

The student presented the results/findings of the study by the research questions. She further evaluated each finding and examined the implications. The four main thematic areas addressed were:

- To analyse the demographic characteristics of the population to gain an impression of the Ghanaian clothing starch consumer
- To analyse the clothing starch market to gain insight into the kind of clothes for clothing starch is used for in households
- To determine Consumer Preferences for Clothing Starch in terms of how the product is applied and its scent.
- To find out promotion and placement of the product in terms of the favourite places to buy household products and favourite promotional medium.

## **Conclusion**

Clothing starch is used in the majority of the surveyed households. The sample population were adults, mostly employed people who could afford education. The Ghanaian starching market is dominated by "*Easy On Spray Starch*," which is used in most of the households who use clothing starch.

Clothing starch is generally used by men, but there are also a fair number of female users. Clothing starch is used more often by consumers with a higher income. Clothing starch users were found in all regions, in all age categories, in all job categories, but mostly in the category of managers and legislators. Those who use clothing starch buy it, which implies the task of doing groceries is not assigned to a specific person in the household. Clothing starch is mostly used on African clothing and formal clothing.

Consumers prefer a spray starch over a powdered starch and a perfumed starch over an un-perfumed starch. If the price difference between starching products is small, the appliance (powder/spray) is most important in picking

the product, then the scent (perfumed or not) and price is least important. Small packaging is most preferred.

Most consumers buy their products at open markets, kiosks or supermarkets. The most favourable media for promotion are television, friends, family and acquaintances, and the radio.

### Recommendations

On the basis of the key findings of the study, the student made recommendations. There is little competition on the Ghanaian starch market, so it is advisable for the company to enter the market before other competitors do. *“Easy On Spray Starch”* is not perfumed, but *RENEW Starch* is, which is a competitive advantage. As a point of entry, it is recommended for the company to target high income consumers, who are mainly based in the big cities.

Unfortunately, Ghanaian consumers prefer spray starch over powdered starch. This could be because powdered starch is unknown in Ghana. Good advertisement would be necessary to inform Ghanaian consumers about the product. In addition to other sales strategies, television advertisements and placing the product on the open market should be considered.

It is also suggested that the company perform follow-up research on non-users of clothing starch to find out why they do not use the available clothing starch, and on users of clothing starch to identify any complaints they might have about the available product. In this way, the company might find out how to get non-users of clothing starch to use its product and users of clothing starch to switch from *Easy On* to *RENEW*.

### Reflections on challenges

The main challenges experienced are summarized as follows:

- A difficult task in the survey was the point to start and the area to focus on. To overcome this difficulty, the study focused on the

distance education students of the UCC. By using this cohort of students for the survey, the student would be able to target a wide variety of consumers from different ages, different parts of the country and with different income and jobs.

- There was no existing information on the clothing starch market in Ghana. In view of this situation, the student considered contacting a wide variety of respondents as important, so as to gather as much information as possible.
- The experience of differences in language usage was quite challenging. This was mostly evident in the task of formulating the questions in the research questionnaire in a way Ghanaian respondents would understand them. However, this was a very important and interesting intercultural insight.
- Unreliable nature of internet connection in Ghana and the low number of people with internet connection in homes was another challenging situation. In view of the situation, it became needful for the questionnaires to be administered manually, which was time consuming.
- Completed questionnaires from respondents were returned in bits, which required that some follow-ups should be made. Related to this, due to improper completion of questionnaires by respondents, there were several times the student had to re-administer questionnaires in a particular study centre.
- Since the research questionnaires were paper-based, the data collected had to be manually entered into the SPSS and Stata for analysis. This was quite tedious and time consuming.

On the whole, the internship period gave the student the opportunity to develop a couple of hard and soft skills, which, she believes, would help her in her future career. The hard skills she acquired and improved upon were embedded in creating a questionnaire, using SPSS and Stata to analyse data, writing a research report and presenting information in front of people. The soft skills she developed were those involved in managing and organizing a

(research) project, instructing and teaching, self-discipline, problem-solving, working in a non-German environment, intercultural competences and international project management.

### Lessons learnt

- Universities should realize that businesses need their support and should take the initiative in reaching out to them. Thus, there is the need for university-business collaboration. In this regard, industry also should readily open its doors to academia.
- Universities should not limit their outreach and collaboration efforts to only domestic businesses. They should extend such efforts to include foreign businesses as well, which will contribute, in no small way, to their internationalization agenda.
- Universities should realize that, comparably, small and medium-sized enterprises (SMEs) have a more welcoming attitude than their larger counterparts and should be highly considered on universities' outreach agenda.
- Universities should realize that SMEs have the desire to conduct marketing research, but are often unable to bear the cost involved, especially when they want to explore new international markets. Therefore, universities should shift their focus from large organizations to SMEs. SMEs, on the other hand, should recognize that universities/students are prepared to provide cost-effective resources for SMEs to successfully conduct marketing research projects.
- Lecturers should recognize the peculiar needs of project students, particularly foreign students, and provide them with the needed guidance and support.
- There should be an initial meeting between supervisors and project students to discuss and agree upon the requirements of the student's work.

- Lecturers and project students need to properly define their roles in the project.
- Right from the beginning, students and lecturers should both agree on how they will interact and exchange information – meeting times, telephone communication, correspondence by e-mail, and submission of results in soft and hardcopy.
- After the initial meeting, lecturers should request project students to present and explain their research proposal, as agreed upon with the collaborating corporate partner.
- Lecturers/supervisors and project students should understand that maintaining active communication plays an effective role in conducting successful research. This implies that there should be regular contact between student and supervisor and corporate partner to address issues concerning work progress.
- During both the data collection and analysis of the findings placements, which can be very challenging, supervisors should be available and prepared to provide the student with the necessary support as the need arises.
- Lecturers and project students should arrange for an exit meeting at the end of the project period to properly finish the exercise.

### References

Cormart Nigeria Limited: <https://www.cormart-nigeria.com>