

MARKETING EFFICIENCY OF HONEY IN KANO STATE, NIGERIA

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ABSTRACT:

The study examined the marketing efficiency of honey in Kano State, Nigeria. Three markets were purposively selected (Kurmi, Wambai and Hajj Camp markets) and a proportion of 50% of marketers was chosen from a sample size of 120, the sample size comprises 15 wholesalers and 45 retailers. Structured questionnaires were used to collect data from marketers. The data collected were analyzed using descriptive statistics, marketing margin, and marketing efficiency analysis. The result of the analysis revealed that honey marketing was a profitable and efficient venture with a marketing margin of 8.7 and 7.5 for both wholesalers and retailers with efficiencies of 252.2% and 277.8% respectively. The majority of honey wholesale and retail marketers had the problem of adulteration with about 40% and 38.5% respectively. It was concluded that honey marketing was a lucrative business despite the presence of some constraints.

KEYWORDS: Marketing, Efficiency, Honey, Marketers and Kano State

INTRODUCTION

Efficiency in the marketing of agricultural commodities is borne on the platter of an efficient market information provision. Consequently, efficient marketing plays a crucial role in enhancing production and economic development in general. Despite this, the marketing of agricultural commodities in Nigeria appears to be inefficient. The need for efficiency in the marketing of commodities cannot be overemphasized. The more efficient the marketing system, the more rewarding it is to producers, marketers, and consumers. Adekanye (1998), Arene (1998), and Olukosi *et al.* (2005) all defined marketing efficiency as the maximization of an output-input ratio. The output of marketing is consumer satisfaction or the utilities created in the marketing system while the inputs are the different resources used in the course of extending the commodity produced by farmers to the consumers. Marketing inputs include the resources used in providing marketing services such as labor, packaging, machinery, finance, sorting, grading, advertisement, and other promotional services required to create demand for the products. Marketing output, as further observed by Olukosi *et al.* (2005) are the different time, place, form, and possession utilities which consumers or buyers derive as a result of product marketing.

Marketing efficiency is used to measure the performance of the marketing system (Erhabor *et al.*, 2008). In the same vein, Enyo and Oniah (2007) opined that marketing efficiency describes how well the process of marketing is performed to maximize profit. Olukosi *et al.* (2005) observed that there are two types of marketing efficiency, namely technological (Operational) and pricing (economic) efficiencies. Thus, Erhabor *et al.* (2008) mentioned that it is concerned with the

maximization of output with minimum inputs (in monetary terms) in marketing. It is, therefore, concerned with how effectively prices reflect the cost of moving output through the marketing system. Olukosi *et al.* (2005) opined that the technical efficiency of marketing expressed as a ratio of output to input is improved if a new method of performing the physical marketing functions that reduce cost is found.

People recognized thousands of years ago that certain types of bees were associated with highly prized honey. People probably observed that bees would move into hollow cavities such as vases or clay pots and the honey from such colonies could be more easily harvested than from wild hives. As reported by Fabunmi (2010), the relevance of honey to both the local, national, and global economies cannot be overemphasized. Honey can be used for the treatment of wounds, burns, cataracts, skin ulcers and scabies (Ayeni, 2003). Ojeleye (1999) reported that some industries such as food, pharmaceutical and cosmetics as well as brewery industries depend on honey as part of their raw materials in the production of their commodities, for example, drugs, body creams, lip balm, and confectionaries. Honey is a sweetener in food, an alternative to sugar whose consumption can be detrimental to human health. According to Ani (2007), honey is so much in use and consequently in demand that it can be termed a money-spinner. Apart from being delicious and nutritious, it has been found useful in many industries, especially for pharmaceutical purposes. Beekeeping can rightly be seen as a liable key in reducing poverty and malnutrition. By keeping bees one can obtain a large quantity of honey and other products for home consumption and commercial purposes. Many non-beekeepers also generate income from other bees related businesses like honey packaging, production of honey-based cosmetic, candle making, medical

practice predicated on bees and honey (bee therapy), beekeeping equipment manufacturing, research, food service industry such as baking with honey, production, honey sports beverages, and honey wine. This claim is confirmed by the fact that honey is used in the treatment of various ailments such as cough, constipation, diabetes, sore, burns, indigestion, arthritis, used as an elixir to relieve sore throat (Keystone, 2001). The general objective of the research is to examine the profitability of honey marketing in Kano metropolis. The objectives of the study are to: describe the socio-economic characteristics of honey marketers in the study area, determine the marketing efficiency and marketing margin of honey marketers, and describe the constraints associated with honey marketing.

METHODOLOGY

The Study Area

This study was carried out in Kano metropolis of Kano State. Kano metropolis comprises of eight Local Government Areas (LGAs) which include; Dala, Ungogo, Kumbotso, Nasarawa, Gwale, Kano municipal, Tarauni and Fagge LGAs. The markets used for the study were Kurmi market in Kano Municipal LGA, Wambai, and Hajj camp markets in Fagge LGA.

Kurmi Market is one of Africa's oldest local markets. It is found within Kano municipal and is located at latitude 11.9519°N, and 8.5403°E. It is made up of narrow alleys where you can find shops selling carvings, calabashes, jewelry, brass works, leather goods and pottery. Other commodities sold there include; honey, hides and skin, simple farm tools like hoe, cutlass and firewood. Economically, the city emerged as a centre of trade with the countries of North Africa. It was as a result of these trading activities in Kurmi market that ancient Kano was in the part of the trading routes of the trans-

Saharan trade. The market became, in the course of the trans-Saharan trade, the source of what the world erroneously came to refer to as the Moroccan leather. (Kano ADP, 2007). Wambai market is found within Fagge local government area of Kano state. It is located at latitude 12.000N and 8.51670 E. Majority of the product marketed in the market are agricultural.

Hajj camp market just like the Wambai market is found in Fagge LGA. Agricultural products sold in the market include; honey, herbs, and firewood. Other commodities sold in the market are cloth, perfumes, and gold necklace. Honey sold in this market is mostly retail.

Sampling Techniques

Following a reconnaissance survey, three markets within Kano metropolis were selected for the research. The markets were Kurmi, Wambai market and Hajj camp markets. These markets were selected purposively because they are notable for honey marketing in the study area. An estimate of 80 marketers was found at the Kurmi market (10 wholesalers and 70 retailers), 25 at the Hajj camp market (4 wholesalers and 21 retailers) and 15 at the Wambai market (all wholesalers). From each market, 50% of the marketers were randomly selected comprising of 15 wholesalers and 45 retailers which gave a total of sixty (60) respondents for the study.

Method of Data Collection

Primary data was used for the study and was collected using a structured questionnaire that was administered to the two categories of marketers. The questionnaire elicits information on the socio-economic characteristics of honey marketers. Further information was collected on market margin and marketing efficiency and problems encountered and other relevant information on the marketing of honey in Kano metropolis.

Analytical Techniques

This study used descriptive statistics and marketing margin and efficiency models in analyzing the data.

Descriptive statistics are concerned with scientific methods for summarizing, presenting and analyzing data as well as drawing valid conclusions and making reasonable decisions based on such analysis. This is done with the aid of mean, percentage, and frequency distribution.

The model is specified as follows:

$$Mm = \frac{Sp - Pp}{Sp} \times 100 \dots\dots\dots (1)$$

Where:

Mm = Marketing Margin

Sp = Selling Price

Pp = Purchase Price

Marketing efficiency is the maximization of the output-input ratio. The output connotes consumer's satisfaction or utilities created in a marketing system, while the inputs are the different resources used. The cost is measurable but consumers' satisfaction or benefits cannot be easily measured. Despite this setback, it has been widely used to measure market performance. The efficiency of honey marketing in the study area will be measured using the following model:

$$ME = \frac{\text{value added by marketing}}{\text{cost of marketing services}} \times 100 \dots\dots\dots (2)$$

Where; ME= marketing efficiency

Value added by marketing=retail price at consumers' level less than producers price

Cost of marketing service=service cost of performing various marketing.

The decision rule is that if Marketing efficiency (ME)>100 implies positive returns to the business.

While if Marketing efficiency (ME)<100 implies negative returns to the business.

Marketing margin is the difference in prices of a commodity at different stages of time, place, form and possession as it moves from the producer to the ultimate consumer. Olukosi *et al.* (200) defined margin as the differences in prices between what is paid by the consumers and what is obtained by the producers. The study will utilize the modified form of marketing margin model adopted by Olukosi *et al.* (2005) to determine the margin of the marketers in the marketing system of honey in the study area.

RESULTS AND DISCUSSION

Socioeconomic Characteristics of Honey Marketers

The honey marketers' socioeconomic characteristics considered in this study include gender, marital status, educational level, source of finance and primary occupation.

Table 1: Socio-economic characteristics of honey marketers

Wholesalers		Retailers		
Variables	Frequency	Percentage	Frequency	Percentage
Gender				
Male	15.00	100	45.00	100.00
Total	15.00	100.00	45.00	100.00
Marital Status				
Married	14.00	93.30	37.00	82.20
Single	1.00	6.70	8.00	17.80
Total	15.00	100.00	45.00	100.0
Educational status				
Islamic education	4.00	26.7	8.00	17.80
Primary	3.00	20.0	5.00	11.10
Secondary	5.00	33.3	19.00	42.20
Tertiary	3.00	20.0	13.00	28.90
Total	15.00		45.00	100.00
Primary occupation	Frequency	Percentage	Frequency	Percentage
Honey marketing	15.00	100.00	28.00	62.22
Others	0.00	0.00	17.00	37.78
Total	15.00	100.00	45.00	100.00
Other occupation beside honey	Frequency	Percentage	Frequency	Percentage
Islamic medicine	4.00	26.70	42.00	93.40
Traditional medicine	1.00	6.60	2.00	4.40
None	10.00	66.70	1.00	2.20
Total	15.00	100.00	45.00	100.00

Source: field survey, 2018

The result from table 1 shows that 100% (all) of the respondents were males for both wholesalers and retailers. The reason behind this could be attributed to the culture and religion of the people in the study area and the nature and role of females in society. The majority of people in the study area are Muslims and as such, Islamic religion and the culture of the people do not allow women to participate in businesses that require their outing and exposure to the male sex. It agrees with

Onyekuru *et al.* (2010) who posited that most of those involved in honey enterprise are of male folks.

Marital status:

This is the fact of whether the respondent is married, single, or a widow. The result from the table revealed 93.3% of wholesalers (majority) were married while only 6.7% (minority) of the population was unmarried. While among the retailers, the majority (82.2%) were married

while only 17.8% were unmarried. The above result shows that high importance is attached to marriage in the study area. This is in line with the findings of Abere and Lameed (2012) having 96% of their respondents married.

Educational status

This explains the ability to read and write whether formal or informal. Education is important in creating a positive mental attitude towards the adoption of modern farming innovation (Liu *et al.*, 2003). The result in table 1 revealed that among the wholesalers, the majority (33.3%) had secondary education, 26.7% had only Islamic education, 20% each had primary education and tertiary education. While among the retailers, the majority 42.2% had secondary education, 28.9% had tertiary education, 17.8% had Islamic education, and

however, only 11.1% had primary education. Thus, the honey marketers in the study area had one form of education or the other. This implies that they will have better marketing strategies such as promotion and advertisement that will boost their sales of the product. With regards to the primary occupation of the respondents, the result shows that all of the marketers had honey marketing as their primary occupation among both wholesalers and retailers.

Source of finance

Finance is of paramount importance as it forms an important component of the facilitating function in marketing (Olukosi *et al.*, 2005). Sources of finance were personal savings, friends, banks, and inheritance as presented in Table 2.

Table 2: Source of finance of honey marketers

Source of finance	Frequency	Percentage	Frequency	Percentage
Personal savings	9	60.0	34	75.6
Friends	1	6.7	1	2.2
Banks	1	6.7	6	13.3
Inheritance	4	26.6	4	8.9
Total	15	100.0	45	100.0

Source: field survey, 2018

The result revealed that among the wholesalers, 60% established through personal savings, 26.6% had theirs from inheritance while 6.7% each had their sources from friends and banks. However, among the retailers, the majority (75.6%) accounted for personal savings, 13.3% had theirs from bank source, 8.9% through inheritance while only 2.2% had from friends. The majority having

personal savings implies that quite a number of the marketers could establish their businesses even without support from external sources.

Mode of Packaging

The packaging is important as it makes a product looks attractive and long-lasting. The major means of packaging honey found in the study area were; Gallon, bottles, and Jerrican.

Table 2: Mode of packaging honey

Wholesalers			Retailers		
Mode of packaging	Freq.	Percentage	Mode of packaging	Freq.	Percentage
Gallon	3.00	20.00	Gallon	7.00	15.60
Jerrican(20& 25 Liters)	4.00	26.70	Jerrican	6.00	13.30
Gallon and Jerrican	8.00	53.30	bottles and Jerrican	32.00	71.10
Total	15.00	100.0	Total	45.00	100.00

Source: field survey, 2018

Table 2 shows that 20% of wholesalers packaged their products in gallons, 26.7% used jerrican (20 and 25 liters) while the majority (53.30%) used gallon and jerrican. Among the retailers, however, 15.60% used gallon, 13.30% used jerrican while those using bottles and jerrican constituted about 71.10%.

Marketing Efficiency

In honey marketing, efficiency was achieved or determined by considering the value added by marketing with the cost of marketing services. The result from Table 4 shows that for wholesalers, value-added by marketing was ₦240 and the marketing efficiency was 252.6%

while for retailers, the value added by marketing was ₦200 while the efficiency was 240%. This implies that honey marketing was a lucrative one between wholesalers and retailers. However, the market is more efficient at retail than wholesale because it has a higher percentage.

Table 3: Marketing margin analysis for honey marketers

Variables	Wholesalers		Retailers	
	₦/liter	% TMC	₦/liter	% TMC
Revenue	1380		1700	
Purchase price of honey	1260	91.3	1500	89
Cost of transportation	50	4.6	7.00	0.4
Cost of loading and offloading	5.00	0.5	2.00	0.1
Levy paid per day	10	0.9	23	1.5
Cost of storage	30	2.7	40	9
Cost of marketing services (MC)	95		72	
Total marketing cost (TMC)	1295	100	1572	100
Gross marketing margin (GMM)	120		200	
Net Marketing Margin (NMM)	85		128	
ROI	1.06		1.08	
Marketing Margin (MM)	8.7		7.5	

Source: field survey, 2018

Table 4: Marketing efficiency of the marketers

Market participant	Cost of marketing services/liter(₦)	Purchasing price/liter (₦)	Selling price/liter (₦)	Value added by marketing/liter (₦)	Marketing efficiency %
Wholesalers	95	1260	1500	240	252.6
Retailers	72	1500	1700	200	277.8

Source: field survey, 2018

Constraints to effective marketing of honey

The marketing of agricultural products in developing countries like Nigeria is associated with numerous constraints (Olukosi *et.al.* 2005). Nevertheless, it is a major determinant of general development especially agricultural (Abba, 2009). Therefore, the various constraints were investigated in the study area and the result is hereby presented in this section.

Table 5: Problems of honey marketing

Wholesalers				Retailers			
Problem Type	Freq.	%	Rank	Problem Type	Freq.	%	Rank
Insecurity	13.00	86.70	1 st	Insecurity	24.00	53.30	1 st
Adulteration	5.00	33.30	2 nd	Adulteration	18.00	40.00	2 nd
Inadequate Credit Facilities	5.00	33.30	3 th	Inadequate Credit Facilities	8.00	17.80	3 rd
High Cost of Transportation	2.00	13.30	4 th	Inadequate Storage Facilities	4.00	8.90	4 th
Inadequate Storage Facilities	2.00	13.30	5 th	High Cost of Transportation	2.00	4.40	5 th

Source: field survey, 2018

N.B: Because of multiple responses, there is no total among the variables.

Table 5 shows that 86.7% of wholesalers had the problem of insecurity. It is ranked the 1st among all the problems and this may be probably because of the existing insecurity challenges in the country. Furthermore, the majority of honey wholesale and retail marketers had the problem of adulteration with about 40% and 38.5% respectively ranking 2nd among the list of problems. This conforms with the (Adeola, *et.al.* 2011) that had 37.76% in the

research of economic analysis of honey marketing in Ibadan metropolis Oyo state, Nigeria. The table also shows that 33.3% of honey wholesalers in the study area had a problem with inadequate storage facilities. However, the retailers were only 17.8% of the total respondents. This problem is the third in ranking among all problems. Also, 13.3% of the wholesalers had a high cost of transportation as part of the constraints affecting honey

marketing in the study area. On the other hand, the retailers with this problem were only 4.4% of the entire sample. Finally, 13.3% of the wholesaler ranking 5th had a problem of inadequate or poor storage facilities. However, among the retailers, this problem ranked 4th with about 8.90% of the respondents.

CONCLUSION AND RECOMMENDATIONS

Honey marketing business is profitable but more among the wholesalers. Based on the findings of this study, the following recommendations are made:

- There is a need to sensitize the public on the importance of honey to healthy living while the association of honey marketers should put in place strategies for detecting fake /adulterated honey with defaulters being prosecuted
- There is a need for honey marketers to use modern storage and packaging facilities to reduce waste and also create more value addition to their products.
- The marketers should form themselves into cooperative unions to access loans to increase their capital for the business.

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