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MARKETING OF CRAFT PRODUCERS: EVALUATION AND IMPLICATIONS FOR THE FUTURE EDUCATION

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ABSTRACT

Craft producers often drive tourist and the overall economic development of small communities; therefore, their business success extends beyond their own benefit. This research was therefore driven by the idea to support craft producers in achieving market success. The purpose of the research was to understand how craft producers approach marketing and what their needs are in terms of marketing education. We approached the research by inquiring insights directly from craft producers interested to improve their marketing knowledge and collecting qualitative data by questionnaires with open-ended questions. The results show that surveyed craft producers give considerable thought to developing marketing mix elements; however, mostly miss to approach marketing strategically. At the same time, they believe that they should make a better use of the possibilities provided by the digital media. Considering these results, we recommend that marketing education for craft producers should focus on conceptualising marketing as a process of interconnected decisions that go beyond promotion, and that when approached strategically help to make day-to-day market-related decisions simpler and more efficient. We also recommend that such education include practical knowledge of essential digital marketing techniques. The originality of the research lies in reaching conclusions about the future educational needs of craft producers by not only directly asking interested individuals about their needs, but also by going beyond and analysing descriptions of their marketing activities to better understand the full scope of their educational needs.

Key words: craft, small producers, marketing, marketing education, entrepreneurial marketing

1. INTRODUCTION

Over the past decades technological development prioritized industrial production and standardization of products while marginalizing traditional and small-scale production. At the same time, the increased environmental footprint forced businesses, small and big, to implement sustainable marketing activities on strategic and tactical levels (Park et al., 2022). While big companies often employ significant resources to make their businesses more sustainable, greener, or more socially responsible, such initiatives often lack real connection to core corporate values and core businesses (Delmas and Burbano, 2011). On the other hand, small producers, especially those outside big cities, in rural or countryside regions, who often opt for craft production, create their businesses around the idea of sustainability and protection of natural resources (Bellver et al., 2023) as well as preservation of tradition and heritage (Barrionuevo et al., 2019; Shafi et al., 2022). Unfortunately, such businesses often lack marketing knowledge to achieve goals beyond mere survival.

This is misfortunate not only for them but also for their communities as there is a close connection between their success and economic development of the region they live and do business in. That is, since many craft producers closely relate to local heritage (Barrionuevo et al., 2019), their products often serve as souvenirs for tourists who according to Karakul (2019) increasingly seek to experience local customs and traditional craftsmanship. Souvenirs that embody the destination's identity portray the image of that location and aid travellers in understanding the significance of the site (Gilmore et al., 2020). Craft producers in that way contribute to tourist satisfaction and serve as promoters of their communities. At the same time, it is commercialization of craft products as souvenirs that brings business sustainability to producers (Duan et al., 2023) and constitutes a source of possibilities and employment for their communities (Bellver et al., 2023). However, all this becomes possible only when craft producers employ marketing appropriately and consistently.

While large businesses have always attracted a lot of marketing researchers' attention, marketing of small businesses began to gain popularity in the 1980s (Hills et al., 2008; Bocconcelli et al., 2018). A decade ago, Hills and Hultman (2013) asserted the need to look deeper into the uniqueness of entrepreneurial businesses and how entrepreneurship influences marketing behaviour. This is because the marketing strategies and techniques of small entrepreneurial firms differ from those of their larger counterparts (Yadav and Bansal, 2021). In that light, Mc Cartan-Quinn and Carson (2003) noted two decades ago that most small businesses do not find the marketing theories of the time very useful to their operations and are unnecessarily exposed due to shortcomings in their marketing strategies. Therefore, they proposed the research question of what small businesses require from marketing education. Since then, substantial research has been conducted on marketing of small and medium sized enterprises (e.g., Bocconcelli et al., 2018; Amin, 2021; Fluhrer and Brahm, 2023), entrepreneurial marketing (e.g., Whalen et al., 2016; Sadiku-Dushi et al., 2019; Gilmore et al., 2020; Yadav and Bansal, 2021), and even craft marketing (e.g., Makhitha, 2016a; Shafi et al., 2021; Bellver et al., 2023). Despite plenty insights on the specifics of marketing of these types of businesses, craft producers still often do not employ marketing to serve them best. We reckon the reasons centre around two areas. Firstly, entrepreneurial marketing is taught at business schools which most craft producers do not attend. Secondly, when craft producers approach outside professionals, they allocate limited budgets and seek help for specific services such as visual identity, webpage design, or social media management, which are only a fraction of the comprehensive marketing approach needed for significant market success.

Our research is based on three premises: small entrepreneurs often lack marketing training (Parnell et al., 2015); small entrepreneurs must place a high priority on adequate marketing competencies, while educators must consider lifelong learning to satisfy the demands of entrepreneurs of various ages and experience (Gilmore et al., 2020); and the unique characteristics of craft producers require their marketing to differ from that of big organizations, but in some respects also from that of other small businesses (Simpson, 2006). On these grounds we aim to understand how craft producers conceptualize marketing, the scope of the marketing activities they employ, and their perception of the marketing activities they need to improve. By gathering insights directly from craft producers who aspire to advance their marketing knowledge, this paper contributes to illuminating marketing activities that craft producers should give more attention to and provides inputs for future marketing education for them.

2. LITERATURE REVIEW

2. 1 Craft producers

Craft production is characterised as production that is traditional, "passed on from generations to generations" and involves the production of "an item that fulfils a function, requires the use of hands to create and uses materials identified as natural" (MacEachren, 2004; Bellver et al., 2023). Most craft businesses are micro-enterprises, single person businesses or employing one or two additional workers (Fillis, 2012). Being small businesses, they have limited human, material, financial, and information resources (Bocconcelli et al., 2018), but they compensate for these limitations with their devotion, passion, and creativity. Craft products can be found in various product categories, and scholars researched different types of products as craft products including food (Rivaroli et al., 2020; Rivaroli et al., 2021), products made from recycled materials or materials from renewable sources (Väänänen et al., 2017), bangles, garlands, utensils, furniture, jewellery, handmade clothing, and wall hangings (Shafi et al., 2021) to name some.

2. 2 Marketing approach of craft producers

Since craft producers are a type of entrepreneur and entrepreneurial marketing has attracted substantial research attention, we draw some key insights from this field. Entrepreneurial companies typically have tactical flexibility and concentrate their marketing efforts on promotion and sales (Hills et al., 2008; Stokes 2000), while perceiving marketing as the process of informing people about the product existence (Awan and Hashmi, 2014; Makhitha, 2016b).

Likewise, Hills et al. (2008) found that the entrepreneurs in their study appeared to view marketing as a dispersed group of variables that influence sales rather than a comprehensive and strategic set of demand-generating variables that includes the marketing mix variables. Similarly, Makhitha (2016a) asserts that small businesses apply unplanned marketing strategies that are short-term and include casual actions, while Jones and Rowley (2011) identified the unorganized, casual, simple, and unpredictable marketing strategy to be a direct result of business' size.

To be profitable, craft producers must analyse consumers and competitors (Parnell et al. 2015) and adapt to consumers' requirements (Molina et al., 2014). Relying on intuition rather than market research is more likely to result in failure (Tewary and Mehta, 2021). However, Parnell et al. (2015) found limited market research prior to the decision-making process of small businesses. While according to Blankson and Stokes (2002), successful small businesses avoid formal market research and choose less formal means of learning about the market, typically through networks in the sector, Makhitha (2016a) believes that craft producers do not even identify customers' needs and wants but make business choices based on their own preferences. Similarly, Stokes (2000) and Whalen et al. (2016) believe that the entrepreneurial marketing is centred on the creation of concepts in accordance with an intuitive grasp of market needs; it is a combination of creative, risk-taking, proactive activities that create, communicate, and deliver value to customers. Conversely, according to Sadiku-Dushi et al. (2019) small enterprises might not be proactive but rather risk averse as they lack the inventive and customer-focused tendencies necessary to raise to greater levels.

2. 3 Strategic level of crafts marketing

According to Agyapong et al. (2019), strategic planning helps small businesses achieve financial performance. Since external factors like market dynamics and customer behaviour highly influence marketing strategy (Millman and El-Gohary, 2011), innovative and forward-thinking businesses can improve their performance through innovative products or marketing strategies (Shafi et al., 2022) in response to market data on perceived customer needs (Mirzaei et al., 2016). Moving too quickly without proper planning or validation procedures or failing to comprehend consumer needs and expectations can necessitate re-evaluation of strategies (Crick et al., 2020). Since crucial strategic decisions in marketing revolve around segmentation, targeting, branding, and positioning (Kotler and Keller, 2016) we further explore how small or craft producers approach each of them.

Market segmentation is dividing a heterogeneous market into smaller homogeneous markets in response to varying customer preferences and demands to better fulfil these diverse needs and wants (Smith, 1956). A market can be divided based on various characteristics which Kotler and Keller (2016) categorize as geographical, demographic, psychographic, and behavioural. According to the same authors, targeting, a step that follows segmentation is a process of strategically selecting which and how many market segments to serve. In the targeting process, companies choose among the entire market (mass targeting), several segments (multisegmented targeting), a single segment (niche targeting), and an individual

as a segment (one-on-one targeting). Fluhrer and Brahm (2023) assert that specifying target customers, their needs and wants, competitors and core values should be the first steps for small businesses, as is usual for large businesses, while Makhitha (2016b), agrees with the importance of deciding target market and its needs for craft producers, but finds that craft producers usually lack a defined target segment and sell to anyone who approaches them. Finally, Stokes (2000) finds that successful smaller businesses replace systematic, top-down targeting with bottom-up targeting, i.e., start by attracting a few clients, then recognise their characteristics and needs and finally attract more of the same kind of customers.

Apart from segmentation and targeting, as Berthon et al. (2008) emphasized, branding is crucial for the success of small businesses. For example, Guha et al. (2021) showed that brand awareness, brand image, and brand equity positively impact consumers' purchase intentions of handcrafted goods in social media. Branding, i.e., the creation of brand identity and corporate self-image was according to Fluhrer and Brahm (2023) frequently prioritized by small businesses, but the brand image (customer's perception of the brand) was often not achieved. Along these lines, Park et al. (1986) suggested that brand image can focus on functional, symbolic, or experiential values, but as Tewary and Mehta (2021) discovered problems arise when the name of the brand does not reflect what the product stands for but rather an entrepreneurs' personal want. They further argue that to implement branding strategy in accordance with consumers' needs and wants and consequently strengthen brand awareness and image, a variety of brand features should be communicated to the target consumers. Finally, Craig et al. (2008) argue that for family-owned businesses, which craft producers usually are, family-based brand identity enhances the customers' purchase intention.

Finally, positioning, the last among strategic marketing decisions, can be defined as a position of the product in the mind of the potential buyer (Trout and Ries, 1986). Amin (2021) asserts that the right positioning with accurate marketing mix leads to successful results. In terms of their comprehension and use of positioning strategies, according to research by Fluhrer and Brahm (2023), small and medium enterprises differ from major organizations. Important features in positioning of the former are direct client contact, developing consumer profiles in conversation, and highlighting the business's own advantages. The same authors further classify positioning strategies into: conviction (expression of core business values relevant to the potential consumers), opposition (opposing from competitors based on core values), differentiation (focus on company's competences and competition), and specialization (focus on company's competences and competition) their research, conviction and differentiation prevail among micro businesses.

2. 4 Tactical level of crafts marketing

Challenges in executing strategic planning among small producers that lead to failure in creating the appropriate marketing mix (i.e., tactical level of marketing) can occur due to limited financial resources, personal skills, and knowledge of marketing tools (van Scheers and Makhitha, 2016). Marketing skills in their full potential are rarely seen among small businesses

(Gruber, 2004) as they often display the unstructured decision-making process and deciding "on the go" (van Scheers and Makhitha, 2016). Small businesses must advance marketing mix techniques (Amin, 2021). However, there is a lack of academic studies on marketing mix elements of entrepreneurs (Yadav and Bansal, 2021) and particularly pricing and place have received little research attention (Jones and Rowley, 2011).

When it comes to promotion, an element of marketing mix that small producers often consider a synonym to marketing (Awan and Hashmi, 2014), Amin (2021) and Phokwane (2020) assert a considerable correlation between promotional strategies implementation and small businesses' success. Furthermore, Stokes (2000) and Martin (2009) found interactive marketing to be preferred by small businesses as they prefer relationships with clients over impersonal mass promotion. Also, Vidal et al. (2023) claim that small companies mostly use digital platforms because of their low costs. Similarly, Fillis (2012) argues that craft producers achieve success by focusing on relationships, word of mouth, reputation building, in combination with opportunity recognition. As conclusion, previous research proposed that small businesses should engage in an extensive consumer promotion (Amin, 2021) and take advantage of social media to interact and engage with customers in a cost-efficient way (Tewary and Mehta, 2021).

Despite the importance of promotion, its impact would be useless if there were no well-designed and commercialized product (Amin, 2021). According to Kotler and Armstrong (2018) a well-designed product includes a right combination of features on three product levels: core customer value (problem-solving benefits), actual product (e.g., product and service features, quality, brand name, packaging), and augmented product (additional services like warranty or post purchase services). To create a well-designed product and achieve sales, companies should first scan the environment with proactive and innovative approach for market opportunities (Mirzaei et al., 2016). Accordingly, Tewary and Mehta (2021) found that successful entrepreneurs pay great attention to identifying the competitive advantage of their products.

For the third element of marketing mix, place, Mirzaei et al. (2016) found that entrepreneurial orientation often results in multiple marketing channels. For example, Stoddard et al. (2012) claim that crafts should be primarily distributed through traditional retail shops in or close to tourist sites. However, since these sites are typically seasonally visited, online channels may help access a wider range of market segments during the off-season. Furthermore, most craft products are marketed locally (Braden and Nicholls, 2004) and by producers themselves in workshops, their own workplaces and at fairs (Molina et al., 2014). When intermediaries are involved, those are usually gift shops (Braden and Nicholls, 2004).

Finally, there are three common approaches to pricing: customer-value-based pricing, cost-based pricing, and competition-based pricing (Kotler and Armstrong, 2018). Ingenbleek and van der Lans (2013) observe these three as pricing practices and argue that in a competitive situation, in which craft producers usually find themselves, enterprises choose among four pricing strategies. Those are: leader pricing (initiate a price change and expect others to

follow), parity pricing (match the price set by the overall market or the price leader), low price pricing (strive to have the lowest price in the market), and premium pricing (strive to have the highest price in the market). According to their analysis, parity pricing is the most common among small and medium enterprises, but 61% of those enterprises do not have a price strategy at all. Also, many scholars found that small producers emphasize quality over price (Bloom and Hinrichs, 2011; Wilhelmina et al., 2010 in Mirzaei et al., 2016).

3. RESEARCH METHODOLOGY

3. 1 Research design

Since the aim of this research was to understand how craft producers manage their marketing activities and what their needs are in terms of marketing education, we decided to collect insights directly from craft producers that actively seek to advance their marketing knowledge, i.e., craft producers that participate in a form of marketing education. We collected insights from the participants of a marketing education program aimed at small producers who seek to turn their traditional and nature-related products into products of high value, which took place in Lika-Senj County in 2023. It comprised of several afternoon classes scheduled over a month. While such a programme was open for wider audience, we believed the description of the program was well designed to attract craft producers. Lika-Senj County was interesting for the research as it is the largest county in Croatia, very sparsely populated with several national and nature parks and reserves (https://licko-senjska.hr). Although the population of the county declines as people search employment abroad (https://lika-destination.hr), there is significant potential for the tourism industry growth (https://aik-invest.hr) in which craft producers can play an important role.

Insights were collected anonymously by two questionnaires comprising mostly open-ended questions (Table 1). The first questionnaire, distributed at the very beginning of the program, examined respondents' perception of marketing, while the second, administered in the middle of the program, examined marketing strategies and tactics employed by the respondents. Each questionnaire took about 20 minutes to complete.

Table 1. Concepts and survey questions

Concepts	Questions				
The marketing concept perception and obstacles to its implementation	– In my opinion, marketing is:				
	 Which marketing activities do you implement on your own or in collaboration with someone (which marketing activities do you feel you perform the best)? 				
	- Which marketing activities do you think you or someone else should be doing for your business, but they are not getting done (what do you feel is neglected)?				
	- Is the reason for neglecting lack of time, lack of knowledge, or something else?				
	- What are the main obstacles to your better market success?				
	- What do you expect to learn during the 26 hours of this program?				
	- How do you decide which and what kind of a product to market?				
	- Do values (that your brand represents) influence decisions related to your product, place, price, and promotion and if so, how?				
	- Are you actively seeking new distribution channels and if so, how?				
Segmentation and targeting	Are all your consumers very similar to each other or do you recognize 2, 3 or more distinct groups? If they are very similar, describe your typical consumer, and if you recognize distinct groups, describe the representatives of two groups.				
Positioning and branding	- What type of products do businesses that you consider competitors offer?				
	– What is the advantage of your offer compared to your competitors?				
	– What values does your brand represent?				
Product-related	– What are the benefits of your product to consumers?				
decisions	- Which decisions regarding your product have you already made?				
Price-related decisions	– How do you form your products' price?				
Place-related decisions	- Where (at what types of sales outlets) are your products sold?				
Promotion-related	- Where do you promote (which promotional channels do you use)?				
decisions	– Does someone help you with promotion and if so, in which sense?				

Source: Authors

Data were analysed qualitatively. First, a code book was assembled based on previous research. Then coding was conducted so that answers to each question were manually coded, sometimes with multiple sets of codes. To ensure coding reliability, coding was conducted by two coders independently followed by codes comparison of the entire file. About three quarters of the codes were aligned between the coders. For the remaining codes, a discussion preceded final decisions.

3. 2 Sample analysis

In total, 12 participants successfully completed the above-mentioned educational program and filled out the questionnaires, but due to the scope of our research, we only considered the responses of those who declared themselves as small producers connected with the preservation of nature and tradition and who agreed to participate in the research. Hence, the responses of seven participants were used for the analysis. In total, these responses provided 1436 words to the open-ended questions listed in Table 1, ranging from 122 to 339 words per respondent. One of these seven respondents did not answer the first questionnaire and another respondent did not answer half of the second questionnaire.

All respondents were women between 39 and 58, with median value 48. Their craft businesses include products from herbs like essential oils, honey and other bee products, vegan food products, souvenirs, gifts, and jewellery. Most respondents have been in the craft business longer than eight years, but two less than four. The importance of the craft business varies among respondents and while some devote very little time and get a small percentage of their household income from it, others devote a 100% of their time and financially heavily rely on it.

4. RESULTS

4. 1 Perception of marketing

Almost as a rule respondents define marketing as promotion aimed at introducing information about the product to the market and achieving sales. For example, they wrote that marketing is:

- R3: "Promoting my work and products through various media and social networks."
- R6: "Activity for better sale of products and services in the business world."

These findings are aligned with those of Stokes (2000), Hills et al. (2008) and Awan and Hashmi (2014) who investigated entrepreneurs as well as those of Makhitha (2016b) whose research interest were craft producers. Further, promotion is by all respondents identified as a marketing activity at which they were best. In that context, most respondents mentioned advertising (offline and online) and personal sales, but also public relations:

- R3: "Photographing products, publishing these products. Participation in various fairs, various workshops."
- R5: "(...) I am a volunteer in a cultural association, I am often in the media, and in this way, I contribute to a greater visibility of myself and thus of my products and services."

Interestingly, when asked about the neglected marketing activities, answers again revolved around promotional activities, this time more focused on digital promotion through their own web sites and social media. For example:

- R1: "I think I'm neglecting digital possibilities."
- R5: "Content marketing missing due to lack of time; creation of native content missing due to lack of time; SEO content optimization (...)"

Finally, when asked what they expected to learn during the program, responses were either not specific or again focused on sales:

- R1: "I expect to make better use of my current marketing skills and be a better salesperson."
- R4: "More about marketing."

Overall, the results show that respondents do not consider activities like market research, targeting, or non-promotional aspects of the marketing mix relevant when discussing marketing activities. This might suggest that craft producers surveyed do not consider the full range of options available to achieve market success. In their own words, better market success could be achieved if they had more time or money, better marketing, better promotion, and alike. This resembles findings of van Scheers and Makhitha (2016) who summarised the limitations of small and medium businesses under limited financial resources, personal skills, and marketing tools knowledge.

To understand whether respondents apply marketing process, i.e., approach marketing as a process of interrelated activities, but do not refer to this process as marketing, we analysed answers to several additional questions. As a result, we found that some respondents make some marketing mix decisions based on market research or strategic decisions such as target segments or brand values. For example:

- R1 comments that decisions about the product are made "(...) mainly based on communication with professionals, but also consumers" and since values of her brand are: "quality, tradition, organic product, meticulousness" she organizes "product tasting in health food stores (...)"
- R7 when asked how she decides which products to put on the market, answered: "It depends on demand and the price that suits the customer. That is why I make products of various prices." She adds that her brand represents "Longevity over time. Sustainability" which influences her marketing mix decisions so that "The material is more expensive, the production is demanding because it is handmade." and when it comes to looking for new sales channels, she comments: "At the moment I am not looking, I am committed to autochthony, so the products can only be bought from me and in my town."

However, like Makhitha (2016b), we found that most respondents do not approach marketing as a process of interconnected and mutually defining phases and make decisions intuitively without market research. Even when some of the decisions are interrelated and interdependent, the answers imply that these marketing processes are also interrupted and that the marketing strategies are in line with the small business marketing strategies described by Jones and Rowley (2011), namely casual and simple.

4. 2 Strategic marketing decisions

In this subchapter strategic marketing decisions, i.e., segmentation, targeting, positioning, and branding are analysed. Results show that respondents either see all customers as a homogeneous segment or differentiate two (or three) segments. Either way, they very vaguely describe target customers using one or two characteristics with exception of one respondent

(R5 below) who used five characteristics for a single segment. This is aligned with Makhitha's (2016b) finding that craft producers skip to clearly define target customers and serve anyone who comes along. Responses also imply that target customers are defined in a bottom-up approach which Stokes (2000) found among entrepreneurs and defined as serving various customers and with time identifying their characteristics, i.e. defining the segment. When it comes to segmentation variables, we found all four types, but never more than two per segment. For example, R2 uses behavioural type of segmentation, while the five characteristics of the first segment described by R5 represent demographic and psychographic types of segmentation:

- R2: "They are similar, they are mostly consumers with the intention or need to buy gifts and souvenirs."
- R5: "1) Family women, married, mothers, highly educated, environmentally conscious 2) Transit guests, during high season, who book accommodation based on availability and location."

When it comes to positioning, most respondents compete against direct competitors, i.e., those who produce the same products as they do, and a minority has a broader perspective to include indirect competitors who meet the same consumer need as they do. Furthermore, most respondents differentiate themselves from competitors based on their competencies rather than brand values. We found no connection between whether respondents emphasize competencies or values with the type of segmentation, targeting or competitors they identify. Additionally, it was difficult to discern from the responses the four positioning strategies proposed by Fluhrer and Brahms (2023), but when the strategy was clear it was differentiation or conviction, the two prevailing strategies among the micro businesses in their research as well. For example:

• R1 defines competitors as those who produce: "mostly similar or the same type of products." While: "the advantage over competitors is, first of all, quality that is always the same, unique design and presentation."

When looking at what competitive advantage respondents mentioned concretely, uniqueness/originality prevails. Similarly, Braden and Nicholls (2004) found uniqueness and high quality to be attributes considered the most important among eleven marketing attributes that craft producers of their study were asked to rate.

Finally, when asked about their brands' values, most respondents emphasized consumer benefits rather than products' attributes. According to the means-end theory (Gutman, 1982), benefits are more directly linked to purchase, hence focusing on benefits rather than attributes is what craft producers should aspire to. Also, our results show that when it comes to benefits, respondents mention experiential or symbolic ones, whereas when they mention attributes, they mainly refer to functional ones. An example of experiential benefits (R2), symbolic benefits (R5) and functional attributes (R4) are:

- R2: "Personal approach to each customer (...)"
- R5: "Sustainable, inclusive, fair."
- R4: "Our brand represents a natural, quality product."

4. 3 Tactical marketing decisions

When it comes to tactical decisions, we analysed decisions related to marketing mix starting with product. Respondents see benefits of their products as functional or experiential. Although several respondents previously mentioned symbolic brand values, they skip symbolic benefits when discussing product benefits. Furthermore, while respondents acknowledge the main benefits of their products when directly asked about them, when they discuss decisions that they already made about their products, they focus on features like packaging, brand, quality, i.e., the "actual product" and only one adds reference to "augmented product" level as defined by Kotler and Armstrong (2018).

Regarding the path of the product to consumers, most respondents use multiple distribution channels including offline and online outlets, but some limit their distribution to offline channels either due to small production or as a strategic decision not to sell an autochthonous product outside a place it was produced in. Offline channels include producers' own shops or doorsteps, local fairs, and local souvenir shops, while online channels producers' own web-shops and social media networks. All the respondents primarily sell locally, but some also reach consumers outside their locality through online channels. These types of channels (local offline channels and online channels) are precisely what Stoddard et al. (2012) suggest crat producers should have. Finally, all respondents distribute their products directly to consumers, but some combine that with indirect distribution through intermediaries. Molina et al. (2014) also found that most craft production is directly marketed by craftspeople themselves. Examples of a developed (R2) versus modest (R6) distribution networks are:

- R2: "On social networks, on my web-shop, local souvenir shops and at fairs."
- R6: "At the front door and I take them to my friends."

The responses to the pricing question do not provide enough information to understand which of the pricing strategies defined by Ingenbleek and van der Lans (2013) were used by respondents, apart from R4 below. However, the responses did provide insights into the pricing approaches defined by Kotler and Armstrong (2018). Although we could identify one example of competition-based pricing (R4) and one example of customer-value-based pricing (R5), most responses suggest cost-based pricing (e.g., R7):

- R4: "I mostly follow price trends on the market, and for some products I determine the price myself."
- R5: "The right ratio of invested and received I put myself in the customer's shoes."
- R7: "It depends on material and time spent for production."

Finally, when analysing promotion, we discovered that respondents mostly use social media channels, i.e., Facebook and Instagram. Tewary and Mehta (2021) and Vidal et al. (2023) claim these channels are often used by small producers because of their cost-efficiency. Most respondents do not specify whether they just own a social media profile/page or actively promote their profiles/pages. Two respondents' answers were a bit more elaborated. One of them, apart from having her own Facebook page, also promotes that page in Facebook

groups, and employs public relations techniques outside Facebook. The other participates in workshops where she promotes her products. Although respondents did not explicitly mention whether they use interactive promotion, we assume their promotion is interactive since it would be unusual not to be interactive on social media networks that most of them use. Giving an answer to another question, one respondent stressed interactivity and relationship with her clients as important values of her brand:

 R2: "Personal approach to each customer and the person the gift is for. Complete personalization."

5. DISCUSSION

The purpose of this research was to understand how to address educational needs of craft producers interested in improving their marketing knowledge. To achieve this goal, we first had to understand how craft producers define marketing, what is the scope of marketing activities they employ and in which way they plan to improve their marketing activities. By gaining insights directly from craft producers interested in bettering their marketing, we introduced a new perspective to the current research on craft marketing. We found that results related to the scope and type of marketing activities of craft producers in our sample were consistent with the results of previous studies on craft marketing (Braden and Nicholls, 2004; Stoddard et al., 2012; Molina et al., 2014; Makhitha, 2016a; 2016b). This suggests external validity of our results. A more comprehensive analysis of results leads to key findings and recommendations discussed below.

While the results indicate that craft producers have given considerable thought to the marketing mix, they also show that most craft producers do not observe the strategic marketing decisions as decisions that should precede and dictate marketing mix decisions. That is, craft producers try to ensure the elements of marketing mix are congruent with each other and with what intuitively seems right for their type of products. Their distribution decisions seem the most well thought of element of marketing mix based on at least a rough idea of who, where, and when buys their products. On the other hand, pricing is rarely observed in relation to perceived value for customers and craft producers seem to struggle to define the right price relying mostly on production costs while being cautious not to overcharge. At the same time, there is ample evidence that strategic approach to marketing is missing. For example, results show that the target segments are vaguely defined; when multiple segments are mentioned, the marketing mix is not adapted to meet the specific needs of each; competitors are defines narrowly and competitive advantages generally (e.g., uniqueness, quality, design); marketing research is limited to communication with customers. Previously Hills et al. (2008) found that entrepreneurs do not observe marketing as comprehensive and strategic set of demand-generating variables while Jones and Rowley (2011) found that entrepreneurs employ a casual, simple, and unpredictable marketing strategy. We build on their knowledge by making a clear distinction between tactical and strategic decisions in marketing of craft producers and drawing attention to the need to employ strategic decisions as guidelines for tactical ones. The lack of strategic marketing and the need to employ it is what Makhitha (2016a; 2016b) also found and recommended in research

on South African craft producers. Since South Africa and Croatia are very distant culturally, geographically and in other respects, reaching the same conclusions validates results and gives reason to believe that conclusions can be applied universally.

Expanding on the notion that craft producers define their target segments vaguely or not at all, we continue our discussion. Although the respondents are not explicit about reasons for not specifying target customers too detailly, there is an impression that they consider it wrong to leave someone out. We reckon their underlying assumption might be that being too specific reduces customer base and consequently sales. This is contrary to one of the main premises of marketing theory, i.e., specifying target market as a road to better fulfil customer needs and increase sales (Smith, 1956; Kotler and Armstrong, 2018). Given our results, we considered whether craft producers are specific in a way that not specifying target consumers in more detail would be beneficial for them. A thorough examination of the responses gives no evidence that precise targeting is not necessary for craft producers. On the contrary, despite the targeting approach, top-down or bottom-up (cf. Stokes, 2000), single or multiple target customer segments need to be clearly specified. We find support for this argument looking at tactical decisions described in the responses. For example, most craft producers rely on cost-based pricing which is usually considered suboptimal. However, it is almost impossible to rely on customer-value-based pricing without knowing who the customers are, what their needs are and what product feature can provide a benefit for which they are willing to pay more. Also, very practical decisions like which Facebook groups to join, which intermediaries to work with (organic, vegan, gift, souvenir shops or all, but for a different product) could be made easier and be more effective, if the target markets were clearer.

Finally, our results show that when craft producers need to specify a marketing activity which they neglect and should not neglect, or what they expect to learn during marketing education, they remain general or focus on promotion through digital media. While gaining knowledge about search engine optimization or social media management would undoubtedly be recommended (cf., Tewary and Mehta 2021; Vidal et al., 2023), focusing only on that knowledge might yield limited results, especially if marketing is not strategically managed. In addition, if for any reason craft producers must choose between devoting time to understanding and implementing marketing process or learning about and using digital tools, they should keep in mind that digital services can be outsourced, while it would be difficult, if possible, to outsource the strategic approach to marketing. In relation to this, we conclude that to understand what kind of marketing knowledge should be made available to craft producers, researchers should not only listen to what craft producers express they need, but rather comprehensively understand their goals and marketing activities undertaken so far to achieve these goals.

6. IMPLICATIONS AND CONCLUSION

Based on our findings, we recommend that marketing professionals develop short marketing training programmes specifically tailored to craft producers. The need for such programs is advocated by the craft producers themselves, but also by the results of the analysis of their marketing activities. We advise that such programs place an emphasis on explaining how and

why to approach marketing as a process of interconnected decisions, what strategic marketing entails and how to align day-to-day marketing mix decisions with those strategic ones. This knowledge will help craft producers to build more successful business models and yield better results in the long run. Since craft producers are, rightly, particularly interested in digital marketing skills, such programs should also include knowledge of essential digital techniques and tools. As for the format of the programme, like Gilmore et al. (2020), we propose lifelong learning programmes consisting of several meetings. Such formats ensure that participants gain the necessary knowledge but also get to know each other, network, exchange information and experiences and explore potential future cooperation. We also recommend that local authorities in smaller communities allocate resources for regular implementation of such programmes. As previously discussed, (cf. Gilmore et al., 2020; Bellver et al., 2023), a healthy craft sector is directly linked to touristic and economic development of rural and other smaller communities.

Our research contributes to a better understanding of craft marketing and, by identifying gaps in the craft producers' marketing approach, provides guidelines for marketing education tailored to them. The limitations of this research present an opportunity for future research. Although our sample was small, we believe qualitative nature of data provided useful insights to draw valid conclusions in relation to the research aim. Still, bigger and geographically more versatile sample might bring new perspectives in the future. Relatedly, although using open-ended question questionnaires enabled respondents to tell their story in an unguided and uninterrupted way, in-person interviews would allow interaction and provide deeper understanding of certain responses. In the future interviews, it would be particularly useful to explore the reasons behind vague description of target customers and the perceived cause and effect relationship between target customer identification and sales results. Moreover, in the future it would be interesting to test the relationship between the implementation of various levels of marketing approach and the market and financial performance of craft producers to contribute quantitatively to the knowledge base.

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MARKETING *CRAFT* PROIZVOĐAČA: EVALUACIJA I IMPLIKACIJE ZA BUDUĆE OBRAZOVANJE

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SAŽETAK

Craft proizvođači su često pokretači turističkog i ukupnog gospodarskog razvoja malih sredina pa njihov poslovni uspjeh ne koristi samo njima već i široj zajednici. Ovo istraživanje je stoga bilo motivirano idejom pružanja podrške craft proizvođačima da ostvare tržišni uspjeh. Svrha istraživanja bila je razumjeti kako craft proizvođači pristupaju marketingu te koje potrebe imaju u smislu marketinškog obrazovanja. Istraživanju se pristupilo tražeći spoznaje direktno od craft proizvođača zainteresiranih za unaprjeđenje svog marketinškog znanja te prikupljajući kvalitativne podatke putem upitnika s otvorenim pitanjima. Rezultati istraživanja pokazuju da ispitani craft proizvođači ozbiljno promišljaju o razvoju elemenata marketinškog miksa; međutim, marketingu uglavnom ne pristupaju strateški. Istovremeno, oni vjeruju da bi trebali bolje iskorištavati mogućnosti koje pružaju digitalni mediji. S obzirom na ove rezultate, preporuča se obrazovanje za craft proizvođače usmjeriti na konceptualizaciju marketinga kao procesa međusobno povezanih odluka koje nadilaze promociju, a koje, ako im se pristupi strateški, pomažu u jednostavnijem i učinkovitijem donošenju svakodnevnih tržišnih odluka. Također, preporuča se u edukaciju uključiti i praktična znanja o temeljnim tehnikama digitalnog marketinga. Originalnost istraživanja očituje se u donošenju zaključaka o budućim obrazovnim potrebama craft proizvođača ne samo temeljem direktnog ispitivanja zainteresiranih pojedinaca o njihovim potrebama, već i dubljim uvidom, putem analize opisa njihovih marketinških aktivnosti kako bi se bolje razumio puni obuhvat njihovih obrazovnih potreba.

Ključne riječi: craft, mali proizvođači, marketing, marketinško obrazovanje, poduzetnički marketing