

## Educating Municipalities in Marketing: Energizing the Artisan Economy in Nicaragua

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**Abstract:** In Nicaragua, for the past three years the author has worked in the Creative Economy. In May 2023, the author group were asked to develop a workshop to help Nicaragua's most creative cities to strengthen their artisanal communities. After much thought and several versions, the workshop focused on basic marketing working with the municipalities using some basic models of marketing. The cities that were chosen to participate are considered cultural and creative centers. They are diverse and dispersed around the country of Nicaragua, the cities included: Bluefields, Estelí, Granada, Juigalpa, León, Managua, Matagalpa, Masaya, Nagarote, San Juan del Oriente, San Juan de Limay. The challenge was that most of the municipal teams were mid-level administrators from the mayor's office, local offices of the Ministry of Family, Community, Cooperatives, Associations, and the Ministry of the Economy, particularly those working in the orange or creative economy sector. They knew a little about the artisans that Author 1 had visited, in their community but very little about artisans in general. They know little about marketing as well. The challenge in the authors' three days with these administrators was to engage them with their artisanal communities and give them some basic tools of marketing.

**Key words:** creative economy, Artisans, Nicaragua, marketing models

**JEL codes:** M3, O1, I3, F4, D2, H8

### 1. Introduction

The research was very qualitative but included many visits to artisan studios and working with groups in workshops. Through more than one hundred visits and conversation much was learned about the artisan community in Nicaragua. About twenty of these were completed in March 2023 and thus were very current to the workshop. In each case the artisan saw us in their home or in the home of a friend who was closer to our route.

The life of an artisan in Nicaragua, with few exceptions, is simple, practicing their artistic crafts with primary materials such as bamboo, clay, leather, palm, plaster of Paris, material, shells and coral, stone, tires, and many kinds of wood. While a few looked successful most were small, working at small or tiny studios in their homes and selling from the house when customers happened by. A few artisans sell through intermediaries, most use the city, and nationally sponsored fairs as a place to sell their wares. Artisans do not make much when you look at how much time it takes to craft a piece, then display, and sell. When you think about these artisans remember that

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they live in one of the poorest countries in the western hemisphere.

This paper discusses what was done to try to help the Municipal committees have a positive impact on their individual artisans' communities. Those charged with developing the artisan sector of the economy needed assistance and time to learn new ways of thinking; marketing is a substantial portion of that. In most cases as professional administrators, they might know of artisans but not know them or their lives well. In an initial workshop the authors tried to use nine marketing models as a framework to educate the local municipal committees or commissions as to what they might do. Also emphasized was the need to connect, to understand, and to empathize with artisan families.

The paper presents what was done in the workshop. Further, it will address ideas on helping municipal and administrative teams can do to move forward as they collaborate with artisans in their communities. The conclusions include the next steps in 2023-2024.

Working in the Creative Economy or the Orange Economy in Nicaragua is remarkably interesting. In the developed world the term is often focused on the technology sectors of the economy. In Latin America people often discuss cultural and creative economies<sup>1</sup> with an emphasis on culture. The authors work with a very different cultural orientation in a program called Co-Creamos<sup>2</sup>. This program is targeted at helping the artisans of the nation to better themselves economical and thus improve the economy of Nicaragua.

In 2022 the authors conducted workshops for artisan of Clay (barro) in San Juan del Oriente, Leather, (Cuero) in Masaya and Bamboo (Bambu) in Managua<sup>3</sup>. During these workshops, the authors began to realize that much more intermediary help was needed for the local artisans. In Nicaragua, the artisans are often quite poor and do not have the resources to be very experimental. Nicaragua is the third poorest nation in in GDP per capita following Haiti at the bottom and then Honduras and Nicaragua in Latin America according to Index Mundi<sup>4</sup>.

Nicaragua also faces a severe decline in tourist activities since 2017 see Figure 1<sup>5</sup>.

Thus, we have macro factors all the way down to the micro of the home that are impacting the Artisans ability to create for and meet the markets.

What was suggested in March was to gather the Municipal committees for Co-creamos together for a workshop to try to stimulate them to help their local artisans. The workshop was composed of Co-creamos commissions from what are considered to be the most cultural cities in Nicaragua. The cities included: Bluefields, Estelí, Granada, Juigalpa, León, Managua, Matagalpa, Masaya, Nagarote, and San Juan del Oriente. Each of the ten cities has many artisans that work with diverse types of materials, called *rubros*.

Each city also has a Co-Creamos commission that collaborates with these artisans. The commissions are made up of staff from the mayor's office, the local offices of the Ministry of Family and Community, of the Economy, and other administrators. However, most of them have little or no experience with their respective artisanal communities. They know of them but have not had the experience of the author group visiting many in their homes and studios. Often the studio is the front porch, or even the larger room or living room. Most of these houses are small again due to the poverty. From the authors' experiences most artisans cannot leave their

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<sup>1</sup> Available online at: <https://thediplomatinspain.com/en/2018/12/nicaragua-in-the-cultural-and-creative-industries-in-latin-america>.

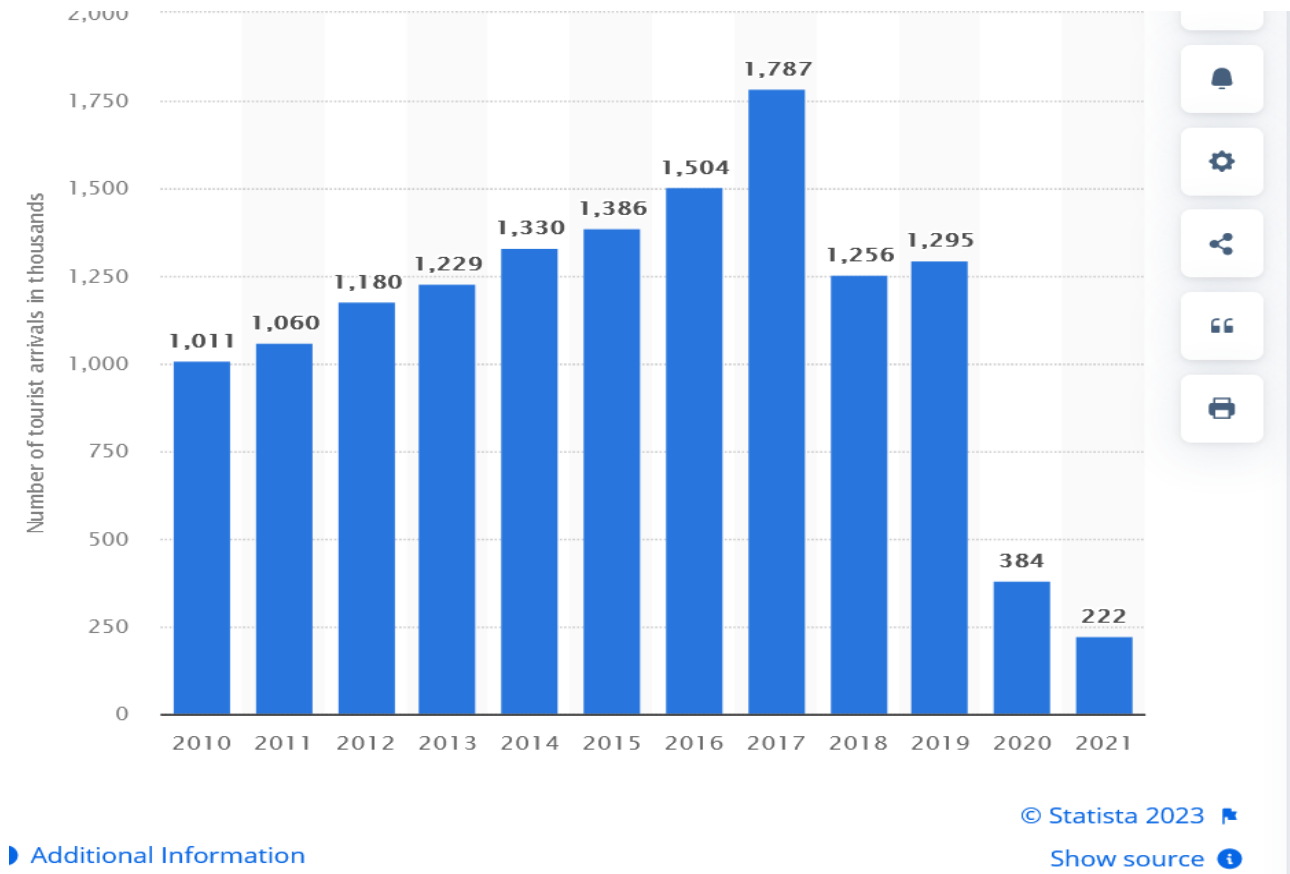
<sup>2</sup> Available online at: <https://redcomunica.csuca.org/index.php/universidad-nacional-autonoma-de-nicaragua-managua-unan-managua/comisiones-locales-de-economia-creativa-se-capacitan-en-el-marco-del-programa-co-creamos>.

<sup>3</sup> Available online at: <https://www.unan.edu.ni/index.php/relevantes/emprendedores-nicaraguenses-seran-capacitados-en-el-marco-del-programa-co-creamos.odp>.

<sup>4</sup> Available online at: <https://www.indexmundi.com/g/r.aspx?v=67>.

<sup>5</sup> Available online at: <https://www.statista.com/statistics/816569/nicaragua-number-of-tourist-arrivals/>.

workshops to do other things in Nicaragua as they need to work every day to make enough money to feed themselves and their families. It is hoped that the Municipal groups will create local workshops for their artisan communities.



**Figure 1 Tourist Entrances of Nicaragua by Year<sup>6</sup>.**

In wealthier countries one can often take a loan, use family support, or savings to exist while investing in education. This is not an option for many in Nicaragua as there are no resource reserves in the household. They must sell or work enough each day to provide the beans and rice staples of the Nicaraguan diet. Without that they and their families will suffer hunger.

## 2. Methodology

The authors developed a three-day workshop using nine marketing models to lead the participants into thinking about what they could do for their communities, with the main objective of empowering them to help the artisans. From the authors' experiences most artisans cannot leave their workshops to do other things in Nicaragua as they need to work every day to make enough money to feed themselves and their families.

Considerable time was spent reflecting on some different approaches. Ultimately, it was decided that we would lead the commissions through a series of Marketing Models moving from Macro to Micro. In the minds of the presenters, it was to be a buffet of ideas that they could select what might be best for the artisans in their cities

<sup>6</sup> Available online at: <https://www.statista.com/statistics/816569/nicaragua-number-of-tourist-arrivals/>.

or in their *rubros* (materials). The reality seemed to be that all the cities needed and wanted everything.

The expectation of a buffet approach as each city tried to apply everything to their own artisans. Thus, one city might use three of the nine marketing ideas and another city might use four others. It seemed that they all wanted to use all. It was exciting and they were an incredibly industrious group.

## 2.1 Macro

The workshop started with some information on Macro trends impacting Nicaragua. The large drop in tourists as shown in exhibit 1. The closure of NGOs. In 2023 alone, over 2000 NGOs were reportedly closed<sup>7</sup>. This is important because of the support provided to many Nicaraguans and because it means many international organizations exiting the country. People from other countries working in Nicaragua tend to bring in international visitors in the form of friends and family. These people as tourists often buy artisanal work to take home as gifts and keepsakes of Nicaragua. The closures signal a long-term problem in rebuilding the tourist industry and the market in Nicaragua for goods for international visitors. Businesses are also leaving such as the Mexican firm Lala<sup>8</sup>. This Dairy made a huge investment in Nicaragua north of Managua starting in 2015 and in the fall of 2023 announced it was leaving. It is one more example of how businesses have been leaving. This reduces one type of tourist.

The model chosen for Macro Economic Factors was the Pestel Model in Figure 2. This model is simple to use and understand for those who are not familiar with looking at Macro Environmental factors and their impact on a business or organization.

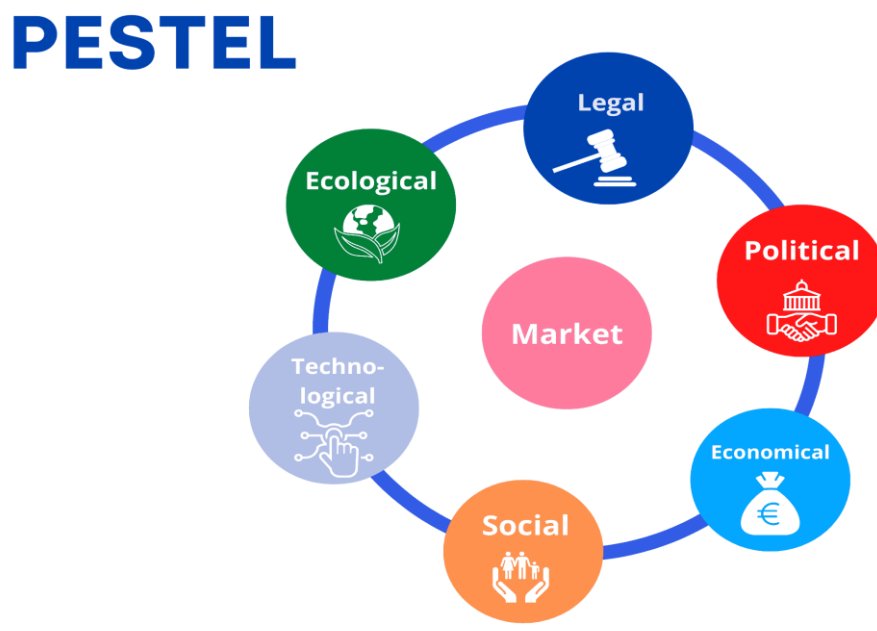


Figure 2 PESTEL Model [8].

The participants were walked through the Pestel Model and then asked to make a chart showing how each of the factors could be impacting the artisans in their respective municipalities. The municipal people talked about

<sup>7</sup> Available online at: <https://www.hrw.org/world-report/2023/country-chapters/nicaragua>.

<sup>8</sup> Available online at: <https://www.breakinglatest.news/business/mexican-dairy-giant-grupo-lala-exits-nicaragua-shifting-focus-in-central-america/>.

the economic environment and lack of tourists. They talked about the changing culture of collecting traditional art, they talked about the lack of technology in the hands of the artisans, they discussed how the family structure often made it difficult to develop change. For example, if your grandfather and father carved the same thing and taught you to do the same, you are hesitant to change in front of them.

Leather provided a good example of the impact of ecology as it seems like all the leather from Nicaragua is shipped to Guatemala for tanning and then brought back to Nicaragua. Antigua, in Guatemala has long been famous for their leather products. They have the facilities to tan the hides of Nicaraguan cattle so apparently that is where most of it goes. Co-creamos itself seemed to be a positive political action to try and create help for local artisans.

## 2.2 Strategy

The models used to help the municipal commission think about the strategy for their community were Segments, Ansoff, and SWOT. Understanding different market segments is important to helping artisans. For example, many of the communities had a leather industry focused on horses. The world horse population, which was about sixty million in 2013 has been shrinking by about a million per year<sup>9</sup>. This is exacerbated in Nicaragua where horses are rapidly being replaced by mopeds. You have two segments in Nicaragua, the working horse market, and the luxury horse market. However, what does the future look like in each segment?

The fact that one neighbor's son is herding the cattle on a moped does not translate easily in one's mind to the impact on the business of the future. It may be several years in the conversion but by then the leather business for horses in one community is dried up.

This kind of thinking belongs at the community level and not at the level of the leather workshop run by two or three generations of the same family. It is very hard to expect the craftsman to think about the larger markets until their work disappears. There were many such examples in the room. Those of us you live in a world of facts and information have to understand that the artist lives in a world of creativity. The artist looks at a piece of stone or wood and lets the raw material guide the process until the new work is revealed.

The Ansoff Model was offered to think about the potential of new or different markets.



Figure 3 Ansoff Model<sup>10</sup>

<sup>9</sup> Available online at: <https://blog.waalaxy.com/en/pestel-analysis>.

<sup>10</sup> Available online at: [https://en.wikipedia.org/wiki/Ansoff\\_matrix](https://en.wikipedia.org/wiki/Ansoff_matrix).

### 2.3 Customers – Micro

Municipal Commissions were challenged to use this to think of new markets in each quadrant. If the market had been primarily international tourists, could it be sold to Nicaraguans? Is it worthy of export in some form or another? Could they help artisans develop new and assorted products for the same or different markets? In the author's visits to horse tack makers, he stumbled on a family making its passion for tack but also turning out beautiful purses for export to the US Island of Puerto Rico. The goal was to get the commissions thinking how they could in a structured way help their artisanal communities develop improved or new markets.



Figure 4 SWOT Analysis

Strengths, Weaknesses, Opportunities and Threats, or SWOT, was another tool or model given to the commissions. The hard part of this one is to learn the idea that strengths and weaknesses are internal to the artisan business. The opportunities and threats are external in the community, country, and even beyond. It is rugged when you stand in the home of an incredible artisan with little or no finances. Then you look at the opportunity and realize not many in Nicaragua could afford this art. Could the commission help by making it front and center in the community as well as try and develop some international market opportunities?

Could local art be featured on the community's web site? Could it be featured in the Municipal mayor's office building? Often times when entering these spaces, one would like to know more about the community and the municipality but there are no pictures, or there are religious symbols of the revolutionary wars such as a graphic of Sandino.

### 2.4 Micro – Clients



Figure 5 Buying Process<sup>11</sup>

<sup>11</sup> Available online at: <https://www.linkedin.com/pulse/according-philip-kotler-typical-buying-process-involves-waed-salem>.

The buying process model was used to get them to think about how they themselves buy. The key here is what is the need that drives the process. The need that most often drives the poor in Nicaragua are the most basic needs of food, improving shelter, adequate clothing etc.

Then we moved to Awareness, Interest, Desire, and Action, (AIDA).

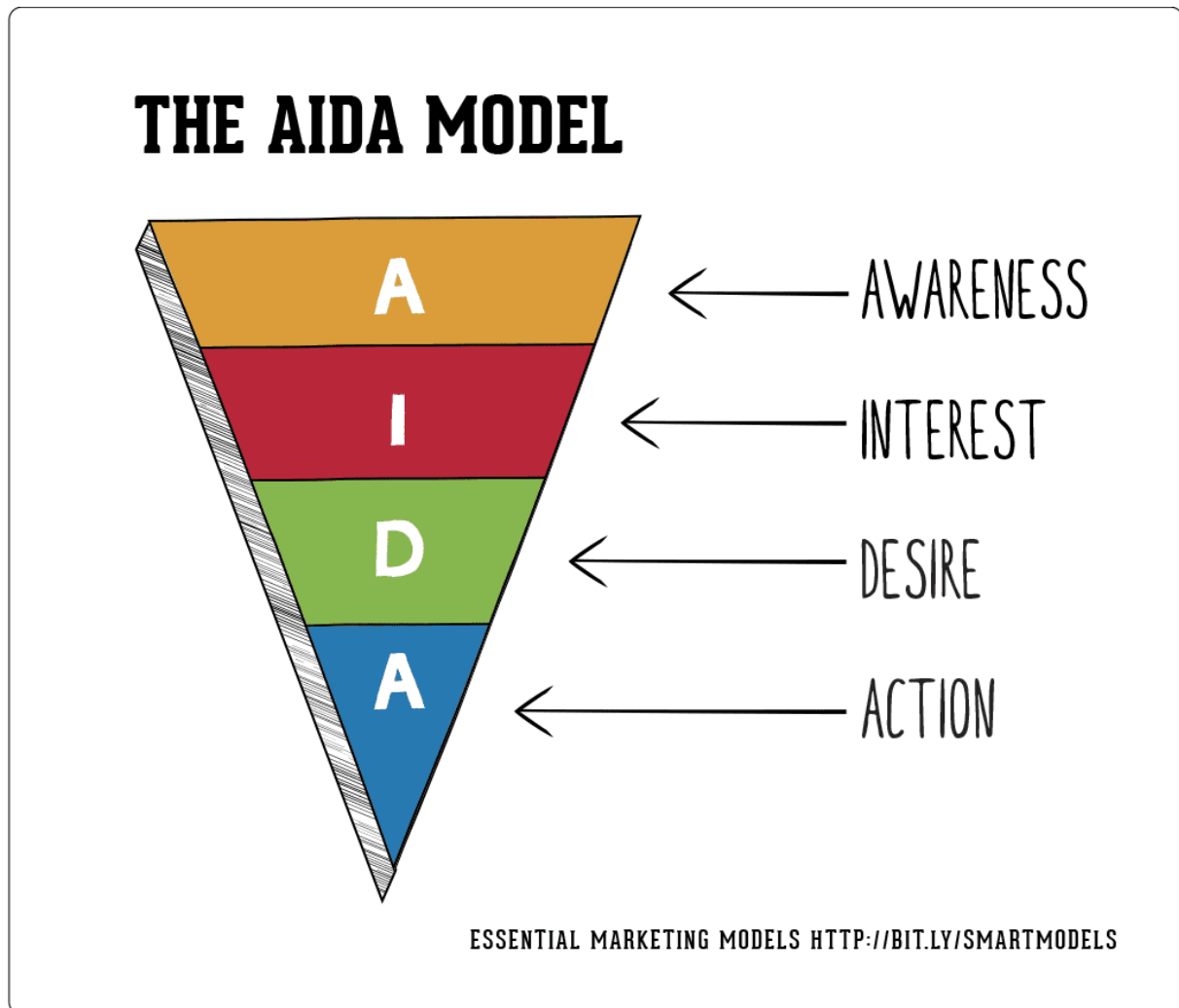


Figure 6 The AIDA Model<sup>12</sup>

This simple model was a challenge directly to the municipal commissions as we asked them what they were doing to help with this. Several ideas were discussed in the room:

- Municipal stores for artisans
- Municipal maps of artisan locations
- Signs indicating Artisan workshop here with an arrow.
- Weekly, monthly, or annual artisan events.
- Municipal website promoting local artisans.
- QR codes around the city to share information on artisans in the barrio.

<sup>12</sup> Available online at: <https://www.smartinsights.com/traffic-building-strategy/offer-and-message-development/aida-model/>.

### 3. Results

The short-term results were great in terms of each city being able to present a plan of what they hoped to do in the next 30 to 90 days. It is harder to do these things than it may seem in a workshop, so it is not surprising definitive results in terms of artisan sales have not shown up. Nonetheless, arming local commissions with an understanding of basic models of marketing as well as supplying strategies to help and aid their respective creative economy communities is a fundamental first step in moving forward.

The knowledge gained by the participants in the use of marketing techniques, website creation, and artificial intelligence will enable them to benefit their Creative Cities by effectively promoting and marketing local products and services, both nationally and internationally. Some of the Municipal commissioners have attended other workshops that offered relevant material. For example, in August there was one focusing on the technology of Arduino, 3D printing, AI, QR codes and Google pages and there were people from the municipal commission workshops there.

#### 3.1 Emerging Technology

This training in emerging technologies provided local commissions with a fresh perspective, involving technology application for business improvement, and added value. It recognized the importance of stimulating innovation and digital automation across various sectors of creative industries. Additionally, this knowledge will be shared with local artisans and producers, enabling them to become familiar with some of these technologies and incorporate them into their processes and products. This will result in increased quality, greater appeal, and distinctiveness in the local market and international tourists.

For example, participants worked on the identification of the cultural symbols that characterize the municipalities. Many symbols emerged during the presentations linked to the cultural and natural heritage of their localities. The big questions during the workshop were: How to add value to cultural products? Should products be functional or utilitarian? For whom or for what segment are we creating value?

The approach of adding value to cultural and artisanal products forged a promotional opportunity. The application of the technology of QR codes allows an artisan to add a brief description and history of the product, information about the artisan, and his methods and approaches. These are some of the basic ideas that emerged during the workshop. The facilitating team worked to help people discover how many ideas and practical uses they could make with the QR code and in this way use more technology to artisans' products to be competitive in the national and international markets.

#### 3.2 Branding

Other workshops, such as the one focused on branding with the identification of macro and micro economic factors in potential sectors within creative cities, made a significant contribution to strengthening the capacities of Nicaragua's Local Creative Economy Commissions. It fostered a new vision of collaboration and exchange with the aim of developing training programs and other workshops tailored to the identified needs in each creative city. The goal is to enhance the skills and competencies of artisans in key areas such as design, production, marketing, and business management. Furthermore, it laid the groundwork for branding local creative industries, promoting cultural tourism, and generating economic opportunities in each creative city.

One of the challenges that the municipal commissions recognized was the need to develop a brand for the municipality. This should relate to branding for local artisans and other creative groups.



### 3.3 Database

Progress has been achieved, as local commissions have created a database of artisans and creative activities in each city. Moreover, productive, and economic capabilities were identified, and SWOT analyses of the creative industries were conducted. Contributions were also made to the development of municipal brands and proposals for future strategies to foster the growth of creative cities. All of this is aimed at the scalability of potential sectors in the municipalities, allowing for effective planning and execution of actions to strengthen the creative economy in Nicaragua.

A resulting example is the artisan database exercise which identifies artisans, artisan sectors, annual sales levels, and clients. Local municipal Co-creamos commissions need to assure constantly updated records of the artisans and potential artisans who start their ventures. This would allow the development of an interactive map to know the locations of the artisans in the municipalities, learn about the work they do, their culture, their family, and tourism in the area.

### 3.4 Artisans and Future Challenges

Commissioners were clearly excited at the end of the May workshop, and they were empowered teams with all kinds of ideas and plans that might be possible to help their artisans. The tough battle is that many of these artisans that the authors know personally live on the margin of existence. They work all day to have enough money to buy food and the primary materials for the next day. There is little economic cushion to allow them to take time to go to workshops in the city or in the capital Managua.

The authors have suggested helping the city formulate small workshops that could be taken into barrios where artisans live and offered around a fire or in a living room depending on the circumstances of the barrio. This will allow artisans greater accessibility to workshops, eliminating the barrier of travel, making it easier for them to participate in these training activities and achieve continuous improvement. At the same time, it creates a more familiar environment, fostering inclusivity and exchange, a close-knit, welcoming, and secure community atmosphere where artisans can express themselves with more confidence and freedom. Bringing the development of workshops to the local territories is a way to build a collaborative network among artisans, promoting greater motivation and participation, leading to the generation of more initiatives and the adoption of innovation to have a positive impact on the local economy and the quality of life of the Nicaraguan people.

Additionally, it has been proposed to establish creative cooperation networks, promoting collaboration and co-creation to strengthen creative capacities and generate joint ideas and initiatives that directly benefit Local Commissions, artisans, and Creative Cities, stimulating innovation in their respective sectors. This can lead to the creation of new and distinctive creative products and services for the market.

## 4. Conclusions

This process was well worth doing as the authors learned much more about work with Artisans in Nicaragua. First and foremost, we visited far more artisans in each community than the commissions had, and we challenged them to do that first to understand their customers. The system from artisans up to almost the national level does not have people educated in marketing or marketing tools to help the artisans get more of their product into the market.

Through the visits, we were able to identify and understand the socio-economic and creative peculiarities of each city. We interacted with some of the key actors and stakeholders in the prioritized sectors, which contributed

to the analysis of each city and the identification of the cultural and creative richness of each region. During the visits, we explored various productive sectors in different cities, identifying their processes, techniques, and opportunities for improvement.

It is important to highlight that the workshops developed were strategically designed. On one hand, they helped bring technology closer and foster innovation in Nicaragua's creative cities, strengthening divergent thinking and digital capabilities of the participants to drive digital transformation and the development of technological solutions that benefit society and the Nicaraguan industry. On the other hand, they facilitated the application of knowledge and the creation of skills in fundamental areas such as design, production, marketing, and business management, aiming to enhance the quality of products and services, with a view to achieving differentiation in the market. This contributed to strengthening the ability to manage businesses more effectively. These experiences in Nicaragua have opened opportunities for collaboration and the exchange of knowledge and work practices among artisans, institutions, and academia. This promotes an enriching learning environment and the creation of a network of producers and professionals committed to entrepreneurship and innovation in the country. Furthermore, it strengthens the promotion of Nicaraguan cultural identity through new creative initiatives.

These synergies contribute to creating an ecosystem that fosters creativity, innovation, participation, association, and the development of the local economy in these cities. As authors, we are motivated and committed to providing support and promoting creative solutions tailored to the contexts and needs of artisans and local Nicaraguan communities, recognizing their challenges and aspirations.

It is probable that this author group will have to keep working on this and continue to offer a variety of workshops to help the intermediary city municipal co-creamos commissions. The encouraging part is that they all seem to want to learn and empower the artisanal community that exists in various forms all over Nicaragua.

Envision workshops in a barrio or a neighborhood in the evening, perhaps around an open flame to produce a little smoke to keep the mosquitoes away. Local representatives of the mayor's office and others in Co-creamos will attend. It would not be high tech but would be immediately focused on changing to the national market:

- 1) Market Segment or who is the potential customer?
- 2) What do they need or want?
- 3) What can they pay?
- 4) How will these customers get your product?
- 5) How will these customers learn about what you are making? Here it is back to the idea of QR codes.

This is all basic marketing. However, that is what is needed for many of these artisans.

You cannot continue to produce product that does not have customers and feed a family.

There will be some tough conversations as the final sips of sweet coffee go down and embers of the fire only glow. However, it is the opening of the mind to think about these conversations that will start to make marketing possible for local artisans.

This may work in Nicaragua if not in other countries. Here you have a culture of inclusivity and collectivity where we can work together. When you visit cooperatives, you immediately feel caring for the members who are struggling. How do we educate them so that they can do better with their crops? This is the same kind of thinking that can apply in communities, barrios, pueblos to help Artisans. It is a culture of we can grow stronger together. There is potential in Nicaragua.

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