MARKET TOURS, PEDDLER RECEIPTS AND THE SHOPKEEPER GRAPEVINE: AN IMPORT WHOLESALER'S ATTEMPTS TO GAUGE RURAL, AFRICAN CONSUMER DEMAND IN EARLY COLONIAL NORTHWESTERN TANZANIA

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This paper examines how early colonial, town-based wholesalers discerned rural African consumer tastes and measured demand for imported goods by focusing on the experience of the O'Swald Mwanza branch from 1906 through 1916. Like many metropolitan firms, O'Swald had extensive experience in the earlier caravan trade. Thus, several decades later, its representatives arrived in Mwanza expecting that import sales would still conform to the tastes of elite caravan era consumers. With the extension of steam transport into the interior and the onset of an early colonial "Cash Crop Revolution," however, many more rural cultivators and herdspeople than ever before had the means to acquire imports, and these new consumers proved far more fickle with regard to brand, style and novelty than firms like O'Swald had anticipated. They no longer accepted some caravan era favorites, and desired others in increasing variety. Thus, in order to stay on top of what the firm only slowly came to understand as an emerging mass market, the O'Swald men spied on their competition, engaged in brand name advertising, interrogated shopkeepers and peddlers, and increasingly market-tested new products.

After the turn of the century, a succession of colonial conquests and new industrial technologies "opened up" much of the East African interior to metropolitan business interests. Earlier, European firms had interacted with caravan traders only in coastal ports, importing manufactured goods and exporting ivory. Following the construction of imperial railways lines, however, they quickly extended commercial branches to bustling new railheads and lake steamer ports upcountry. With significantly lower transport costs, firms suddenly found it profitable to acquire bulky foodstuffs, vegetable oils, or hides directly in the interior, and rail them to the coast for export; and, as peasant production and marketing of these cash crops expanded, so too did consumer demand for imported manufactured goods. The closer metropolitan firms placed branches to these new opportunities, the greater their profit — or at least, such was the conventional business wisdom.

For quite a few firms, however, the move upcountry did not lead to the bonanza they had anticipated. Many reasons for failure existed, but two closely related problems were the most frequent, and in combination the most difficult to overcome. The first dilemma involved securing a large "*duka* network" of shopkeepers, roving crop buyers and peddlers, so that the firm might acquire produce from thousands of peasant households without incurring the costs of mounting its own large buying operation.[1] The second problem was predicting which imported trade goods would be popular in future buying seasons. And increasingly, gauging consumer demand was no easy task. More and more rural Africans gained access to imports, and these new consumers — household heads, wage laborers, sometimes women and junior men, even dependent herders — proved much more discerning with regard to brand, style and novelty than most metropolitan branches initially expected. The two problems were often critically joined in that *duka* networks were forged with credit, usually the advance of popular trade goods. A metropolitan branch without attractive imports could not retain its clients, and thus could not cheaply obtain substantial quantities of rural produce. Profitable commodity export, therefore, hinged upon successful consumer good import.

Given the two-fold importance of import lines, once metropolitan firms discovered the complexity of upcountry consumer tastes, they scrambled to devise new marketing strategies. At first, many assumed that caravan-era consumption trends would continue, albeit in greater volume, and therefore simply expanded their stock of old favorites. In fact, this strategy remained successful for certain former prestige goods. However, for other caravan staples, demand fluctuated much more dramatically than in the past; and, even when firms could identify broad trends, these were further segmented by local and regional variation in tastes for particular colors, sizes, styles or weights. Thus, burdened with unsaleable inventories, or lacking the goods necessary to secure clients for the next season, some metropolitan branches resorted to importing only those goods for which they had reliable sales. Other firms, more aggressive, sought to manufacture demand — to foster popular associations with old favorites, or to encourage new needs or fashion trends among African consumers. Finally, the most far-sighted firms devised information-gathering methods and networks through which they could both predict broad shifts in demand, and at the same time adjust inventories to fit regional or local variations in taste.

METHODOLOGY

This paper examines the information gathering and import marketing strategies of one metropolitan firm, the Hamburg import/export trading house of William O'Swald & Company, by focusing on the experience of its most important upcountry branch at Mwanza, on the southern shore of Lake Victoria, between 1906 and 1916. O'Swald & Co. had dealt with caravan traders from the coast for many years, but after the completion of rail and steamer links upcountry, established a branch in Mwanza. From there the O'Swald firm sought to supply imports to shopkeepers and traders in outlying rural markets, and to secure a share of the region's expanding commodity exports. The firm's long experience as a caravan outfitter did not serve the Mwanza branch nearly as well as expected, however, for it suffered repeated setbacks in import sales, and often lagged behind old rivals and newcomers alike in commodity buying. Consequently, the Hamburg office and the firm's general representative on Zanzibar repeatedly pressured the

Mwanza personnel to carefully measure African consumer preferences, and also to report regularly on their competition's tactics.

Despite the firm's failure to secure a substantial share of the import business upcountry, the Mwanza O'Swald case remains informative nonetheless, because in response to lagging sales, this branch attempted a wide variety of marketing strategies, both in succession and in combination. The branch manager closely monitored regional sales trends by touring important trade centers, dispatching employees on rounds to distant shops, interviewing those traders who came to town, and always watching what sold quickly off the train or steamer. In fact, when pressed, he catalogued all the competition's imports at the customs house, sent employees out to purchase attractive samples, mailed them to the home office in Hamburg, and if in the meantime they proved popular, sought out a manufacturer who could supply them more cheaply. In several of the branch's better efforts, they managed to use information from market tours to tap into existing demand for indigenous products like tobacco, salt or iron tools, by importing specially fabricated industrial substitutes. Attempts at manufacturing demand fared less well; but, nevertheless the branch repeatedly touted brand names, stressed novelty, and used their employees to model goods. Finally, after nearly a decade of struggling to increase market share, the branch settled into a consignment business —including African consumers and local shopkeepers in decision making by displaying catalogs and pattern books, organizing test sales, then soliciting wholesale orders for the next season.

THE MOVE TO MWANZA

William O'Swald & Company would appear to have been very well positioned for the move upcountry. The firm had operated on the East African coast since the mid-1840s, and therefore had considerable knowledge of regional trade practices and specific commodities. The firm's main line involved wholesaling European manufactures from an agency on Zanzibar. For years the company enjoyed price advantages in many imports since it operated a small fleet of ships on regular runs from Hamburg to Zanzibar.[2] However, O'Swald made its reputation, and much of its profits acquiring African raw materials for resale on European commodity markets. Initially, it focused on cowrie shells, transshipping them to the West African coast where the shells served as a regional currency. There, the firm traded the shells for palm oil, which it in turn shipped, at considerable profit, to anxious German soap manufacturers.[3] Once the cowrie trade cooled in the 1860's, O'Swald diversified its buying activities to include East African caravan commodities such as ivory and related wildlife products, and the produce of coastal plantations: spices, plant fibers, vegetable oils and resins.[4] But perhaps its most farsighted innovation was to make agency arrangements and delivery contracts with small town merchants and roving buyers in the livestock hide and skin trade, on the coast and in its immediate hinterland.[5] O'Swald became one of the first metropolitan firms to draw hides from rural markets on Madagascar, and was also an early leader in gazelle and goatskin export from the mainland.

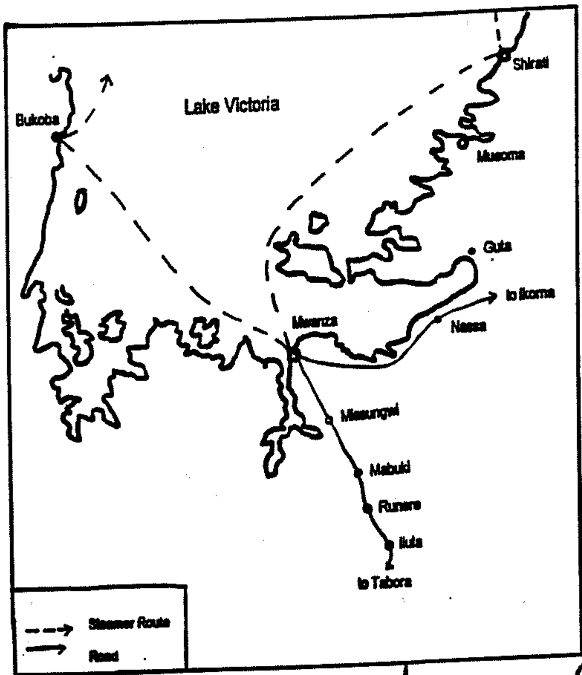
O'Swald & Co. proceeded cautiously yet confidently during the British and German colonial conquests of the 1890's, and during the initial, turn-of-the-century phase of railway building as well. In many upcountry regions, the colonial conquest was followed by a "cash crop revolution" — the rapid integration of cultivators and pastoralists into production for world commodity markets. Rail traffic in foodstuffs, hides, skins, groundnuts, rubber and later cotton, therefore, overtook the waning caravan trade in ivory. Many former caravan brokers adjusted quickly, organizing networks of distant rural shops and buying stations over indigenous markets and old caravan routes. And O'Swald believed it could acquire a large share of produce from upcountry through these new *duka* patrons. The firm had, of course, dealt with many of them previously in the caravan trade, and also had the experience and reputation of exchanging imports wholesale for bulk produce in the coastal hide and skin trade. All that remained was to enter in agency agreements and negotiate delivery contracts.

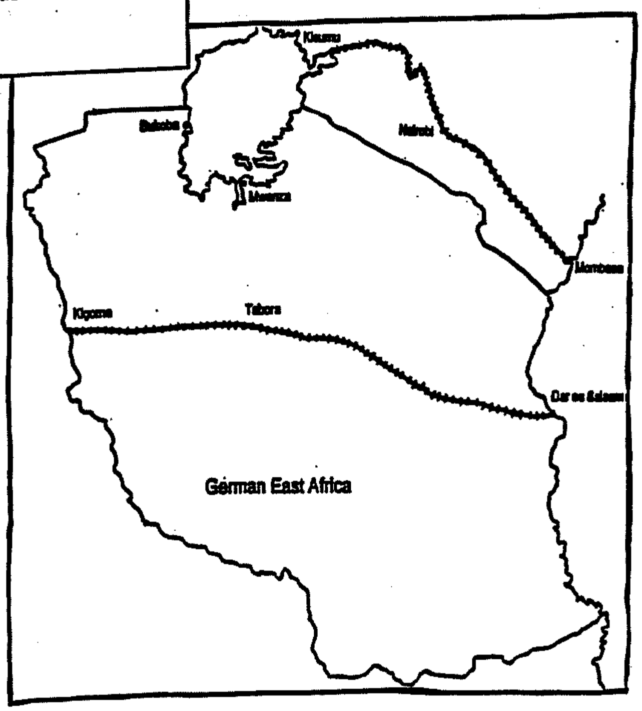
The construction of the Kenya Uganda Railway, however, changed the dynamics of East African commerce in some rather fundamental ways. First, after the opening of the line from Mombasa to Kisumu in 1901, the locus of trade began to shift from Zanzibar and Bagamoyo to Mombasa. Mombasa became the principal port of call for the steamship lines, and soon evolved into the most active auction market. O'Swald was slow to perceive this, as were many of its key Bagamoyo clients. Second, the railway acted as a magnet for newcomers. Metropolitan competitors viewed its construction as an opportunity to break the grip of established firms like O'Swald; while all sorts of commercial adventurers, would-be shopkeepers, and peddlers used the railroad as a means to travel upcountry, where they set up operations independently of the old coastal brokers with whom O'Swald dealt. Third, commercial networks increasingly included upcountry distribution and bulking centers linked to the railway. Many of O'Swald's competitors, especially the newcomers, determined that distributing imported manufactures to clients from upcountry depots provided a more secure network than wholesaling through coastal *duka* patrons. The idea also occurred to them that by displacing coastal brokers, they might obtain a greater share of the profit, not just on imports, but also on the raw materials they purchased much more cheaply direct from upcountry shopkeepers.

O'Swald & Company did eventually establish branches along the line: first in Mombasa, then briefly in Jinja and Kisumu, and finally in Mwanza in 1906. All were very good, if somewhat belated choices, but none proved more central to the firm's future than the Mwanza branch. Located on the southern shore of Lake Victoria, Mwanza was both a port and regional caravan terminus, a strategic transshipment point linked by regular lake steamer service to the railhead at Kisumu. Mwanza already served as a wholesale depot and hide tanning center for a number of metropolitan firms; and all the coastal *duka* patrons maintained affiliates there, since the site had also become the jumping off point for caravans to Tabora to the south, Ujiji and the Congo to the southwest, and Rwanda to the northwest. Mwanza's hinterland, too, was vast, with more than

600,000 potential import consumers. Moreover, cattle keepers there possessed enormous livestock herds, while cultivators produced considerable surpluses in rice, groundnuts, sesame, and beeswax.

Northwest Tanzania, 1914



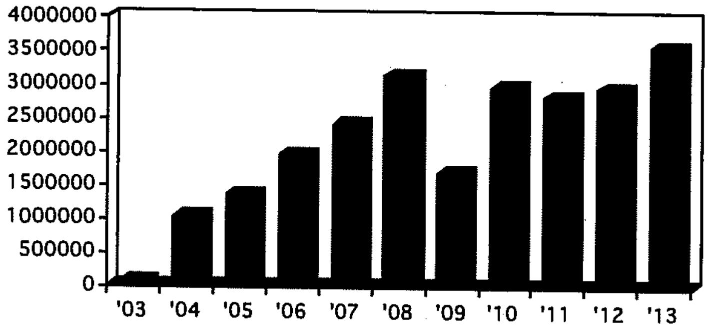


German East Africa, 1914

BOOMING MARKETS, FAILED SALES

Going by the numbers, the move to Mwanza should have proven an unqualified success for O'Swald & Company. After lake steamer service began in 1903, commodity exports from the surrounding southern lake region increased dramatically. At first, roving buyers and rural shopkeepers simply siphoned off a larger and larger share of produce from indigenous markets.

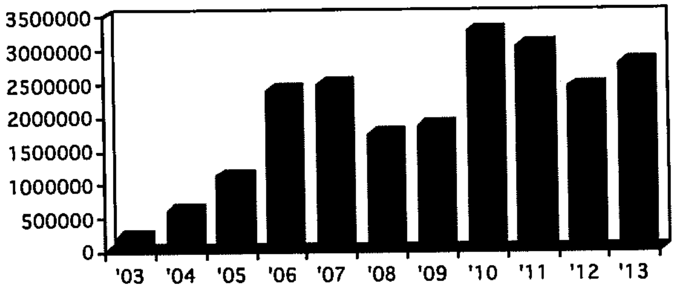
Figure 1. Value (in Marks) of Total Exports from the Port of Mwanza, 1903-13[6]



Over the course of the next decade, however, peasant production for export gradually intensified — stimulated by the wider availability of imports and driven by coercive colonial measures like cash taxes and compulsory planting schemes. Thus, between 1904 and 1913, rice exports by weight rose 110%, hides and skins 325%, and groundnuts 1,325%.[7] Between 1910 and 1912, the completion of a competing central railway from Dar es Salaam on the coast through Tabora and on to Kigoma on Lake Tanganyika, deprived Mwanza's port of much of its transshipment traffic, as more distant commodity caravans from the west and south now took the shorter route to the railhead at Tabora. Nevertheless, Mwanza export totals held firm, given greater groundnut harvests, and an official campaign to make cotton cultivation compulsory, which boosted ginned cotton exports 1,450% between 1910 and 1913.[8]

Import totals, similarly, rose sharply after the Kenya Uganda railway connection, then seemingly reached a plateau as the central line neared completion. Underlying regional consumption trends, however, remained much stronger than this pattern would indicate. From the outset of the cash crop revolution, the possibility of exchanging ordinary livestock products or foodstuffs for manufactured goods, put imports within the reach of a rapidly broadening base of consumers. This expansion did not actually slow after 1908, but continued apace on the fringes of Mwanza's hinterland. Tabora or Kigoma-based merchants, however, now captured many of these new customers by using the central line. These usurpers also carried off a great deal of the existing transshipment business in cloth, alcohol and kerosene, which had formerly gone by caravan from Mwanza

Figure 2. Value (in Marks) of Total Imports through the Port of Mwanza, 1903-13[9]



to markets in Ujiji, the Congo or Rwanda. Mwanza import levels held steady, nonetheless, because of deepening local demand, which gradually offset the constricting southern and western geographic limits to Mwanza's import market. As increasing numbers of people in and around Mwanza became more intensively involved in cash crop production, they desired both a greater quantity and a wider variety of imported goods.

Yet, in the midst of this cash crop revolution, the O'Swald Mwanza branch failed to achieve very impressive numbers. Not, at least, in the estimation of the home office in Hamburg or its general representative in Zanzibar. The most obvious problem was the branch's prolonged inability to obtain a greater share of regional commodity exports. O'Swald Mwanza buying in hides, skins and groundnuts started well, only to meet with disastrous results from 1908 through 1911. And while the branch struggled to add or to recover buying clients, it lost a considerable share of its traffic in Ujiji and Tabora hides to firms using the central railway line. Only the later cotton boom, along with steadily rising rice exports helped the branch recover some of its earlier promise.

Figure 3. O'Swald Mwanza Exports (in Marks)[10]

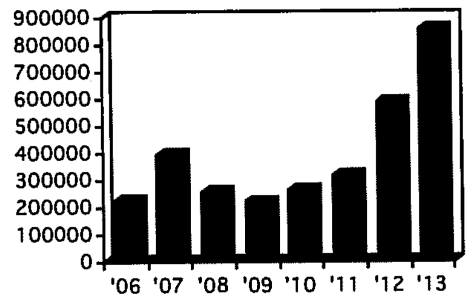
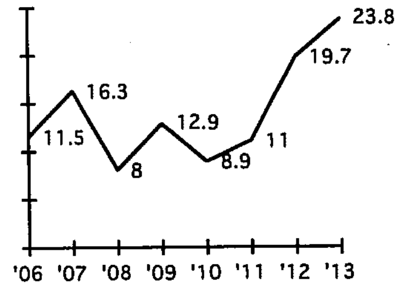


Figure 4. O'Swald's Share (%) of Total Mwanza Exports[11]



There were, of course, many reasons why the Mwanza branch had difficulty competing for export commodities. O'Swald struggled at first operating a branch so far from the coast. Adjusting to different upcountry harvest seasons and buying schedules, as well as longer transport times, proved quite difficult; and as a result many deliveries arrived late. Frequent telegraphic miscommunication occurred over weights, measures and quantities, and the firm's complex accounting practices often left Mwanza branch employees confused as to their actual buying limits or sales margins. Moreover, O'Swald & Company faced very sharp competition in Mwanza. Several metropolitan firms had arrived earlier, and thus had already sewn up many of the best *duka* network clients. Other businesses also specialized in particular commodities, most of them in hides and skins, and had exclusive arrangements with industrial manufacturers which permitted them to make much higher delivery contract bids. Nevertheless, the O'Swald leadership became convinced that the crux of the Mwanza branch's export problem lay in weak import sales.

Like exports, the Mwanza branch's import totals and market share showed considerable early promise. But after a poor year in 1909, O'Swald imports were slow to rebound, and never did fully recover lost market share. The Mwanza branch performed very well in cement, treated lumber and corrugated iron sheeting for government construction projects, and in provisions and petroleum products for a few scattered mining operations.

Figure 5. O'Swald Mwanza Imports (in Marks)[12]

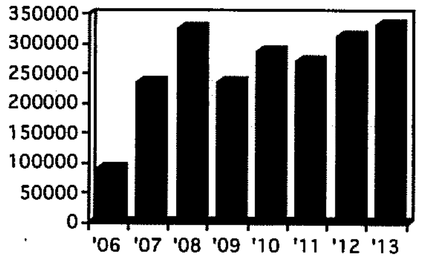
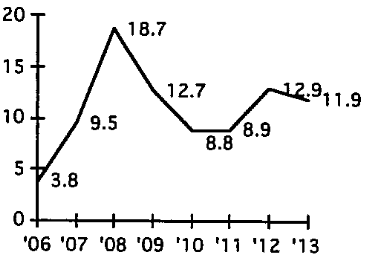


Figure 6. O'Swald's Share (%) of Total Mwanza Imports[13]



However, it suffered repeated setbacks in African consumer imports — unbleached cotton cloth, beads, blankets, and metalware — the goods necessary to secure rural shopkeepers and roving buyers as clients. Therefore, while O'Swald Mwanza's import business may have provided a good short-term return, it was not creating the connections necessary for potentially much greater returns in the export business.[14]

O'Swald & Co. had arrived in Mwanza expecting that the consumer tastes of the caravan era would continue to prevail, even as cash crop agriculture gained momentum. And at first, these trends did continue; but not necessarily as O'Swald projected them. During the caravan era, demand in the southern lake region became progressively segmented. While most people with access to long-distance trade wanted the same general categories of imports: cotton cloth, beads, blankets and metalware, their requirements with regard to color, weight or size became more and more geographically particular. On the coast, O'Swald & Co. had stocked a large and varied import inventory; and thus its employees certainly knew the general categories, and were aware of most varieties as well. But they did not know precisely where these varieties were most in demand. They just wholesaled them. Understanding the peculiarities of local markets, and thereby matching imported good varieties with local tastes — this had been the responsibility of upcountry caravaneers and their coastal broker/patrons. So, when O'Swald & Co. set up their warehouse in Mwanza, they stocked the appropriate mix of imports, at least in terms of general categories. But having bypassed coastal *duka* network patrons to get there, the branch did not possess the local acumen needed to get the varieties right. Their unbleached cotton cloth, for example, lacked the necessary two black stripes popular in the Mwanza hinterland, and was too heavy for consumers along the lake shore. Their brass wire was too thick, and their iron wire simply unpopular. Their beads were too few, while local markets suffered saturation in the red woolen blankets they had selected.

To make matters worse for O'Swald & Co., as they scrambled to realign their Mwanza inventory, broader, regional consumer tastes actually began to shift — that is, several popular, general categories of goods suddenly fell out of favor, while a number of new categories slowly began to make headway. During the caravan era, those African elites who organized ivory hunting or who controlled trade routes received a large share of trade goods from the coast. And while there were a few popular strategies for acquiring imports, and certainly some popular pressure on elite import demands, most caravan staples were the tools or luxuries elites required: guns, ammunition, fine cloth, and alcohol for power and prestige; and lesser cloth, metalware, beads and sugar for redistribution to supporters. During the cash crop revolution, as imports became more readily available to ordinary people, some consumers simply continued to emulate caravan era tastes, albeit with lesser quality, cheaper goods. Others, however, did not. Women bargained in great numbers at shops and in rural cash crop markets, and women's cloth fashions soon proved to be among the most dynamic imports. Men in rural areas too, appropriated their own fashions from imported blankets, and very selectively adopted imported iron weapons and tools. Most importantly, those consumers with greatest access to imports — town dwellers, porters, or traders — began to expand their tastes and to acquire clusters of new goods. They adopted fashion accessories like fezzes, belts, boots, and umbrellas along with their cloth attire. These consumers laundered their clothes with imported soap and stored their expanding imported wardrobe in metal trunks.

The first indication of underlying shifts in popular demand came in 1908/9 when bead sales came to a sudden halt. Beads, a longtime caravan staple, had always been a volatile item, with colors, shapes and sizes rapidly moving in and out of favor; however, this time Mwanza O'Swald could neither identify the fashion, nor lower the price sufficiently to resume sales for nearly four years. Beads had, for a time, remained a vital trade good in groundnut buying, and one which had kept O'Swald very much in the running for groundnut delivery contracts. Now, with the evaporation of local sales, the branch only had its mismatched wire and inferior *amerikani* line to offer. At much the same time, the O'Swald branch's *kaniki* cloth sales also suddenly tailed off, falling 250% between 1907 and 1909. *Kaniki*, a dark blue dyed longcloth, had long been a caravan staple, the next most popular category of cloth after *amerikani.* O'Swald had offered *kaniki* to hide and skin buyers, but with its appeal diminished, now had to acquire leather exports with precious cash. The unexpected decline of former staples finally reached crisis stage between 1910 and 1912, as the branch lost southern and western markets to competing firms utilizing the central railway line. Only then, when the O'Swald men had to order for very specific locations in the immediate Mwanza hinterland, did they truly realize the branch could not accurately gauge rural African consumer demand very well.

Throughout the downturn, Mwanza branch personnel lapsed into long stretches of seeming lethargy, punctuated by occasional panic. They fired off letter after letter attempting to deflect the blame for poor sales onto the Mombasa branch, or their local competition. They also pleaded that they could do little without better support: higher buying limits, more credit for clients, and a better line of *amerikani* cloth. And either from ignorance or out of sheer desperation, they consistently overestimated potential sales in their orders, saddling the branch with an ever-growing inventory of unsaleable merchandise. The home office, for its part, showed reluctance in modifying the branch's instructions, and rigid unwillingness to fill large uncovered import orders. They simply communicated their general displeasure and rotated under-performing personnel. Thus, with the home office and Mwanza branch at loggerheads, it fell to the general agency in Zanzibar to mediate.

The axiom of the Zanzibar office was quite simple, "the import business which pays the closest attention to the smallest detail is always the most profitable."[15] The general agent, Mr. Unger, contended that the Mwanza branch needed to make a more "energetic" and "earnest effort" to gather commercial intelligence.[16] He readily admitted that from Zanzibar he was "not sufficiently informed" to advise the Mwanza branch, and therefore charged the O'Swald employees there to "provide an ongoing report over every article which comes to your attention," providing particulars on "size, quality, quantity imported and its prospects."[17] He also chided the Mwanza branch for being very lax in tracking the competition, and demanded "precise lists" of every competitor's imports. The general agent had more in mind that "forming a better picture of the situation in Mwanza," for, he intended to force the Mwanza branch to "review all the imports... received, and study every individual article thoroughly," so that the branch might "completely revise" its orders.[18] To this end he further urged the branch to make effective use of catalogs, sample assortments, and market tests, implying that if in future the branch would justify its orders with compelling market information, these would be promptly and completely executed. In effect, between 1912 and 1914, the Zanzibar office instructed the Mwanza branch to completely reevaluate and reorganize its import business, so as to better gauge rural African consumer demand.

KEEPING AN EAR TO THE GROUND

The Mwanza O'Swald representatives always had kept an ear to the ground, though usually just in Mwanza town. The streets and shops around the port certainly provided a good place to gather information as the competition all congregated there. Rural shopkeepers, roving crop buyers and peddlers visited periodically, and, of course, many people from the countryside seeking a better price for their produce, looking for work, or simply attending the market, milled through the shops and market stalls. In fact, for most firms, Mwanza town acted as an important test for any new import line. After the steamer arrived, shops there displayed new goods first, so merchants could quickly judge their popular appeal and retail breakdown. Mwanza also served as the site of frequent inventory auctions, where wholesalers ascertained what was not generally selling, or in which locations shopkeepers were taking less popular merchandise.

The O'Swald offices and warehouse were also an important listening post. When rural shopkeepers or roving buyers came to town they either dropped in to square accounts, or if not an O'Swald client, came to inquire after better terms than their current creditors might provide. Most branches encouraged these *barazas*, especially during the off season, and of course with other firms' clients. Branch employees acted most solicitously to promising shopkeepers, and plied roving buyers with alcohol, tobacco, and their best trade goods samples. Most talk revolved around new import lines, credit terms, or cash advances. However, O'Swald employees also used these meetings to piece together cash crop harvest forecasts, or to better discover what was selling at specific locations in the countryside. They subtly interrogated anyone who entered, and, for this reason, would enact a cash or barter transaction with any peddler or market-day visitor who came to the warehouse door. The branch expressed especial interested in where these rural men or women were from, what produce they traded in, and most importantly, which imported goods most interested them.

Finally, neither the O'Swald manager nor his clerks ever let a Mwanza social gathering pass without collecting market information. Of course, they made the rounds of competing branch offices, sometimes making deals, other times fishing for information on newcomers, but however casual their conversation, never simply entered into idle chatter. In the evenings European businessmen, most of them single, gathered at one of several canteens on the lakefront, or at a hotel bar operated by an O'Swald client. These drinking sessions offered opportunities to evaluate the competition, or to informally lobby administration officials who joined them. The branch's Indian clerks, agents, and coastal hide graders also made the rounds of Mwanza social clubs, religious associations and neighborhood gatherings, reporting back any useful commercial information. Thus, weekly reports from the Mwanza branch rarely failed to include some new market information gathered through "idle" conversation.

TRACKING THE COMPETITION

In keeping with company policy, the Mwanza branch also collected statistical information on the general regional economy, and on their competition as well. By staying on good terms with local officials, the branch manager obtained rough drafts of district reports citing trade license figures, tax assessments, projected road building, or new rural market hall construction. He also received monthly import and export statistics from the Mwanza customs master, and wired or mailed them to Zanzibar or Hamburg long before these numbers reached officials in Dar es Salaam or Berlin. The branch, however, was often lax in tracking its competition. On steamer days, the branch personnel all went to the customs house to supervise the delivery commodities for export, and pay tolls on arriving imports. Policy suggested that while there, a clerk should carefully record all goods passing in and out of the port as they entered or cleared customs. Whenever possible, they should endeavor as well to gain access to customs records or steamer manifests. The Mwanza branch made a consistent effort on exports, but only concerned itself with imports during the initial downswing in 1908/9 and again after 1912, when the Zanzibar office applied serious pressure.

The Mwanza branch should have used this data, in part, to estimate the strength of their competition. The branch manager sometimes attempted to calculate the inventories of O'Swald's major competitors in Mwanza before setting the range for a running order. The Mwanza branch also tracked, whenever possible, wholesale prices, so they might attempt to calculate their competitor's shipping costs or profit margins in order to see if their own prices required adjustment. Finally, the Zanzibar office was always anxious to know where smaller competitors — owners of multiple shops — received their stock and in what quantity. If an increasing number of them appeared on the customs list, it served as an alarm for the Mwanza branch that potential clients were circumventing the O'Swald warehouse, and buying directly in Mombasa.

The Mwanza branch finally used this data to adjust its own orders. The Zanzibar office directed the branch manager or his clerk to carefully describe, and when appropriate acquire samples of the wares they counted. Instructions for the Zanzibar office also insisted the branch carefully list the point of manufacture, dimensions, color, variations, and packing quantity. If an item was new, or somehow different, branch employees purchased it retail, then mailed it to Hamburg. In part, this exercise forced branch employees to meticulously track the progress of new imports, and thereby quickly discern new trends, through their competition's ordering patterns. The home office, moreover, also wished to know which manufacturers supplied the competition, and what the costs were, so that if a new item should prove popular, O'Swald might be able to procure a better or cheaper facsimile from its own European suppliers.

AGENTS AND MARKET TOURS

Mwanza branch employees occasionally left town for the countryside, where they might actually see for themselves what people bought. The branch employed an accounts agent, G. L. Patel, who regularly made the rounds of rural clients. His primary duty involved collecting delinquent debts, but he also observed and reported upon the performance of those to whom the branch extended credit. Well connected in several Asian business communities, Mr. Patel also tapped into the shopkeeper grapevine, providing insights on the strategies of many shopkeepers and smaller wholesalers, as well as the latest information circulating on sales trends or harvest prospects. Not until 1914 did the branch finally engage a second, comparable agent, Walji Ratonzi, who focused specifically on imports. He studied import assortments in shops both in town and the countryside, displayed samples, chatted up shopkeepers as to what was selling, and most importantly, regularly reported on trends in a number of rural markets.

The branch manager also embarked on market tours, though not nearly as often as the agents. Once the Mwanza shipping season ended, the O'Swald management encouraged him to travel to growing new markets, and send back detailed written reports to Zanzibar and Hamburg on conditions. In 1910, the manager, Mr. Döring, traveled along the Tabora road as far as Nera, a groundnut and cotton-growing region. There, he visited a cotton plantation and the bustling hide market at Missungwi.[19] Later that same year he also made an extended visit to Bukoba, a lake steamer port to the west, which was fast becoming a major coffee market.[20] In 1912, Mr. Döring revisited Bukoba, to inspect the new O'Swald branch, but this time he took the steamer all the way around the lake, stopping to assess prospects in smaller, growing rice and groundnut export locations like Nyemerembe to the west and Majita and Shirati to the east. He also stopped to eye the competition in established lake towns like Entebbe, Kampala and Kisumu.[21] Finally, in 1914, the acting manager, Mr. Wieda toured the rice producing regions on Ukerewe, visiting the ports of Nansio and Multanga. He also ventured to Niwangi in Majita, and then on to Shirati.[22]

MANUFACTURING DEMAND

All these efforts to better understand rural African consumer tastes, of course, took shape gradually, and quite unevenly, in that they were a response to periodic marketing failures. At first, both the branch manager and his supervisors within the company only sought information in so far as it might preclude them from making any further, egregious blunders. They remained convinced that it was only necessary to discern the broad outlines of sales trends, and that within these parameters, they could sell just about anything to rural Africans — they could, in essence, manufacture demand for their imports.

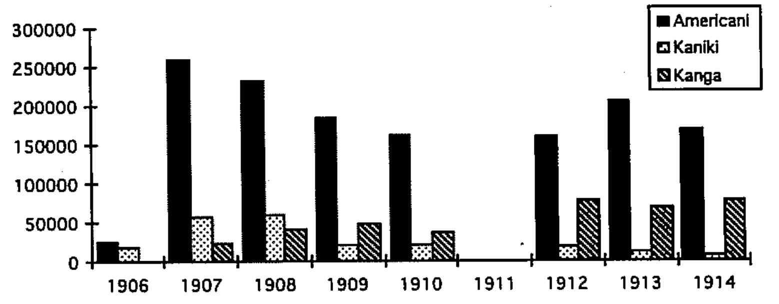
During Mwanza O'Swald's initial slump, in 1908/9, branch employees identified *amerikani* cloth as the ideal vehicle for a quick recovery. As they spoke with competitors and poured over steamer manifests, they determined the popularity of a two stripe boundary and a 8 1/2 to 9 1/2 lb. weight. For the lake shore, they carried a 7 to 7 1/2 lb. ware.[23] Their plan, however, was also to import cheaper, lighter *amerikani* heavily finished with starch to give the impression of heavier weight and better quality. With such a product they might under price the competition, and quickly attract new clients and rural customers. For several months the strategy worked, but once the next season rolled around, few customers returned for repeat business. Instead, angry reports filtered back that the starch laundered out at first wash, the cloth then faded badly, and soon wore out.[24] Others complained about poor color and impurities in the cloth.[25] Rural customers clearly knew quality and valued durability.

The branch, nonetheless, resisted lower profit yielding, yet better quality lines, and instead moved next to trademarks. They had learned that the leading *amerikani* import had an Arabic brand name, so they looked for one too. Their European fabricator sewed it, of course, on much the same cloth: too light for most people's taste, and not nearly white enough. When sales failed to improve, the branch forced the unwanted cloth on their local porters and occasional laborers, in the hope these men and women would wear it on their travels, and thereby advertise O'Swald's "new" product. And once this tactic also failed, the branch simply changed labels, not cloth.[26] Thus, through their initial slump and beyond, Mwanza O'Swald went through Maasai mark, camel, ox head, hills & trees, even a Kilimanjaro label. But sales never did improve. Turn-of-the-century, rural African consumers simply did not form brand name associations. They selected *amerikani* by weight, texture and design.

The Mwanza branch did eventually manage to manipulate one cloth sales trend, though in a much more subtle and better-informed manner. During the caravan era rather clear boundaries existed between cloth consumption trends upcountry as opposed to on the coast. Coastal cloth fashions tended toward more colorful, bordered, or fringed patterns and prints. Some people involved with the caravan trade upcountry, preferred coastal fashions, either as a prestige good, or as an indicator of their connection to Swahili culture; but they proved the exception. The overwhelming bulk of cloth traded in the interior was *amerikani* or *kaniki.* As the cash crop revolution gained momentum, however, distinctions between upcountry and coastal cloth preferences began to blur. In the towns and market centers in particular, coastal men's *kanzus* and *kikois* became more popular, as did women's *kangas.* Sales of these tailored or print cloth fashions rapidly surpassed declining *kaniki* cloth, and by 1914 trailed only *amerikani* in popularity. And this time, O'Swald really was well positioned to capitalize.

Having been active for so long on the coast, O'Swald & Co. was very well stocked in every cloth variety popular there. The office on Zanzibar, and the branches in Bagamoyo, Mombasa and Dar es Salaam followed coastal fashion trends closely, and had supply agreements with the best European manufacturers. *Kangas* in particular, therefore, were in the Mwanza branch's initial inventory, and from the outset fared extremely well. The branch manager, Mr. Döring, quickly reported that "one encounters no other shawl in town," but ours.[27] Moreover, with *amerikani* sales slow, and *kaniki* faltering after 1908/9, the Mwanza branch attempted to reestablish themselves with coastal prints, so that as Mr. Döring put it, "we might become known and popular with the Africans, as a firm which always has the newest."[28]

Figure 7. Yards of imported *Amerikani, Kaniki,* and *Kanga* cloth sold by O'Swald Mwanza[29]



The O'Swald Mwanza branch did not create demand for *kangas.* Such popular preferences had their origin in much deeper, underlying social transformations: the penetration of Swahili culture from trading centers into the countryside, the appropriation of imported goods within local cultures, and greater access on the part of rural women to these new goods. What the Mwanza branch did do, however, was to stay on top of the *kanga* trend by linking its coastal and upcountry sales strategies, thereby securing a large share of the market for their firm. Just as on the coast, each year the Mwanza branch would retail its best new line on *Sikuku,* at the close of Ramadan, so that the firm received maximum exposure, both with visitors for the festival and with potential shopkeeper clients. The Mwanza branch also encouraged local trends by gradually pushing them more in line with those on the coast. Its personnel closely followed design trends, first on Zanzibar, and later in Dar es Salaam, picking up the latest coastal favorites and bringing them to Mwanza before the competition.[30] And while *kanga* styles on Zanzibar or in Dar es Salaam were more varied and fleeting, the Mwanza branch pressed to bring its ordering schedule more into line the with that of the coastal fashion centers. Whereas at first the branch only changed styles every few months, they gradually reduced this period from six to four, and eventually to just three weeks.[31] And over the course of the decade, O'Swald broadened the number of color schemes from just one to six or eight, and design variations from four or five to 20 or 25 per shipment. All these tactics boosted sales and attracted greater attention for their wares.

CAPTURING DEMAND

In addition to identifying and attempting to meet new demand, the O'Swald branch also sought to increase its market share by capturing existing demand. Much of its merchandise, however, did not fare well head to head with the more popular imports of its competitors. Actually, the O'Swald imports which achieved the greatest success in established markets, were those pitted against indigenous goods — industrial facsimiles of items produced by local or regional processors and crafts people. Like other upcountry branches O'Swald imported salt, to compete against indigenous salt panners to the west. The branch also imported granulated sugar, in competition with local and coastal plantation block sugar. And for a time, Mwanza O'Swald was quite successful in tobacco imports, displacing indigenous producers to the southwest. But perhaps O'Swald's greatest success in capturing existing demand came in metalware.

At first, metalware was the Mwanza branch's most problematic import category. Branch representatives quickly discovered that local hunters and farmers showed little interest in imported knives, machetes, spearheads or fishhooks. In Mr. Döring's words, "knives don't go here at all, since the Usukuma make very nice ones themselves from heavy gauge iron," and "the Wazinza are also highly skilled smiths."[32] Instead, the branch catered to the needs of indigenous metal workers, importing large quantities of iron, brass and copper wire in various thicknesses, along with sheet metal, which these artisans fabricated into implements or adornments. This intermediate good trade too, proved tricky; since demand for varieties and thicknesses of wire varied between specific locales, and individual blacksmiths often preferred different finishes or packagings.

Mwanza O'Swald personnel remained convinced, nevertheless, that local smiths were on the decline, and opportunities would eventually open for the import of finished metal goods.[33] They were determined to capture a large share of the metalware trade — and pinned their hopes on industrially manufactured hoes, which had always been the mainstay of regional ironworking, and a major exchange item for rural people. Yet, this choice was rather a gamble, considering European imports long unpopularity. Varying top soils required a variety of shapes and weights, and standardized industrial hoes rarely fell within the bounds of what local cultivators might accept. Shortly upon arrival in 1906, the branch manager, Mr. Döring noted the failure of many of the competition's iron hoes, even though, as he calculated, these industrial imports underpriced indigenous hoes by nearly 50%.[34] Therefore, his temporary replacement, Mr. Meyer, made a careful study of regional hoe heads, aiming to discover what features cultivators preferred: weight, blade shape, neck and so forth. He mailed samples back to Hamburg, where the home office showed them, together with sketches and the precise specifications he prepared, to various manufacturers.[35] Some time elapsed, but eventually the branch imported its own 1020-gram, "shovel-shaped" model for the Mwanza hinterland, and a slightly lighter, "fond-shaped" model for Bukoba. Sales were slow at first. They mistimed several buying seasons — hoes sold best during October and November, the field preparation time before the light rainy season. But after 1911, with an improved delivery schedule, wholesale orders by their clients steadily increased. By 1913/4 Mwanza O'Swald had by far the greatest share of the import trade, and projected sales of more than 2,000 cases or 100,000 hoes — one for nearly every third adult in the Mwanza region.[36]

GAUGING DEMAND

Therefore, as time passed, the O'Swald Mwanza branch increasingly oriented its sales approach toward the market testing of potential imports with client shopkeepers and their rural consumers. The information gathering lessons learned trying to stay on top of the *kanga* fashion trend, as well as from importing facsimile hoe heads, were gradually applied to the branch's full African consumer inventory. Small sample assortments retailed first from the Mwanza warehouse. New lines, in cloth, wire or tobacco, also went to the branch's best crop buying clients, so they might test them on their harvest season marches. Later, the branch made use of pattern books and catalogs provided by the home office. The branch's traveling agents showed these to shopkeepers all over the region, attempting to sort out not only current and future fashions, but also trying to estimate what quantities would be reasonable for the Mwanza branch's standing inventory.

For all their experience, however, the Mwanza employees never did live up to the expectations of the home office or the general agent. While the branch had a few successes, it also had some disasters — and these mistakes lingered for years in inventory. Moreover, even after careful study, Mwanza O'Swald was never particularly astute at market timing. Whenever an item was most in demand, the Mwanza inventory was always low. And, most disturbing of all, competitors repeatedly cut into the branch's market share and profit margin. Therefore, after the 1912 season, the firm forced a reorganization of the branch's import business, downplaying sales from inventory for African consumer goods, and instead building up a direct order business. This move clearly reduced the firm's potential profits, but at the same time also reduced inventory costs and provided more certain connections to crop buyers. Thus, the branch offered larger clients the opportunity to order from Europe direct through O'Swald for Mombasa price plus freight and costs to Mwanza. The branch put all its efforts into drumming up orders for the coming season; and to this end, actually did more market sampling than ever before, going only with the lines which attracted sufficient takers.

CONCLUSION

At first glance, O'Swald & Company appeared well positioned for the move to Mwanza. With decades of experience on the coast, and contacts among European manufacturers and coastal *duka* patrons, the firm expected to dominate booming new markets in the interior. But of course, this failed to happen. Clearly, O'Swald expanded its business upcountry at a difficult time. While they had correctly observed that the volume of imports was rising sharply, and that the African consumer base for imported goods was growing rapidly, they nonetheless neglected to note that rural African consumer tastes were becoming more volatile. Thus, the O'Swald organization oftentimes reacted slowly to broad trends in rural consumption, and proved even less adept at distinguishing narrower, local variations in demand. A large import/export house like O'Swald thrived on predictability, not uncertainty.

The branch's efforts at information gathering, therefore, were vital to O'Swald's success or failure in Mwanza consumer good sales. Branch personnel only proved attentive, however, following long downswings in sales or sudden, unexpected reverses — they gathered data reactively. Moreover, operating largely within the confines of Mwanza town, the branch manager had little first hand information; and with only one, and later two traveling agents, O'Swald Mwanza simply did not cover the rural markets well. Finally, while those goods the branch developed or tested with rural African consumers, like new *kanga* styles or mass-produced iron hoes, fared extremely well, the firm did not systematically apply this approach to its other consumer lines. Instead, O'Swald & Co. attempted to manufacture demand, and when this failed, retreated into a more secure direct order business.

Notes

1. In her dissertation, "A History of Indian Merchant Capital and Class Formation in Tanganyika c.1840-1940," UDSM, 1982, 417-20, Martha Honey coined the phrase "*duka* network" to describe the commercial and cultural links between the immigrant Asian wholesalers, shopkeepers, peddlers and tradespeople.

2. Schramm, Percy E., *Deutschland und Übersee* (Braunschweig, 1950), 330.

3. Ibid.

4. Ibid, 369.

5. Ibid, 340.

6. Figure 1 is calculated from the 1903-12 export totals compiled by Ralph Austen in *Northwest Tanzania under German and British Rule* (New Haven, CT: Yale University Press, 1968) 269-70; and the 1913 total from Wieda, Mwanza to O'Swald Hamburg, 31.12.13-8.2.14. Hamburg State Archives (HSA) 621-1/22/11: Customs statistics, appendix to balance letter.

7. Calculated from the export totals in Austen, *Northwest Tanzania*, 271.

8. Ibid.

9. Figure 2 is compiled from the 1903-12 import totals in Austen, *Northwest Tanzania*, 269-70; and the 1913 total from Wieda, Mwanza to O'Swald, Hamburg, 31.12.13-8.2.14. HSA 621-1/22/11: Customs statistics, appendix to balance letter.

10. Figure 3 is compiled from: Döring, Mwanza to O'Swald, Hamburg, 31.12.06. HSA 621-1/22/1: balance letter, 14; Meyer, Mwanza to O'Swald, Hamburg, 31.12.07. HSA 621-1/22/2: statistics for 1907; Döring, Mwanza to O'Swald, Hamburg, 31.12.08-27.1.09. HSA 621-1/22/3; #39: appendix; Döring, Mwanza to O'Swald, Hamburg, 31.12.09-20.1.10. HSA 621-1/22/4; #36: appendix; Pabst, Mwanza to O'Swald, Hamburg, 31.12.10-14.1.11. HSA 621-1/22/7; balance letter, 1-2; Döring, Mwanza to O'Swald, Hamburg, 31.12.11-20.1.12. HSA 621-1/22/7; #39: appendix; Döring, Mwanza to O'Swald, Hamburg, 31.12.12-30.1.13. HSA 621-1/22/8; #42: appendix; Wieda, Mwanza to O'Swald, Hamburg, 31.12.13-8.2.14. HSA 621-1/22/11: appendix.

11. Figure 4 is calculated from the totals in Figure 3.

12. Figure 5 is compiled from the same sources as Figure 3.

13. Figure 6 is calculated from the totals in Figure 5.

14. O'Swald earned between 5 to 25% on imports, with three months to one year's turnover.

15. Unger, Zanzibar to Döring, Mwanza, 1.6.12. HSA 621-1/22/8:1-2.

16. Ibid.

17. Ibid.

18. Ibid.

19. Döring, Mwanza to O'Swald Hamburg, 8.8.10. HSA 621-1/22/6, #31:1-2.

20. Döring, Mwanza to O'Swald Hamburg, 2.10.10. HSA 621-1/22/6, Bukoba Travel Report.

21. Döring, Mwanza to O'Swald Hamburg, 20.2.12. HSA 621-1/22/8, Travel Report.

22. Döring, Mwanza to O'Swald Hamburg, 28.5.14. HSA 621-1/22/11, Musoma Report.

23. Meyer, Mwanza to O'Swald, Hamburg, 19.8.07. HSA 621-1/22/2, no number: 7-8.

24. Meyer, Mwanza to O'Swald, Hamburg, 26.2.07. HSA 621-1/22/2, #4:9; and Meyer, Mwanza to O'Swald, Hamburg, 9.3.07. HSA 621-1/22/2, #5:8.

25. Meyer, Mwanza to O'Swald, Hamburg, 26.2.07. HSA 621-1/22/2, #4:9.

26. Döring, Mwanza to O'Swald, Hamburg, 31.12.09-20.1.10. HSA 621-1/22/4, #36:10.

27. Döring, Mwanza to O'Swald, Hamburg, 18.6.06. HSA 621-1/22/1, #7, imports: 3.

28. Ibid.

29. Data compiled from Mwanza O'Swald annual balance reports for 1906-09, and 1912; and from order and sales reports for 1910, and 1913-14. Data for 1910 was incomplete, and therefore the author projected the fourth quarter of that year. The 1914 figures are also approximated, based on January to June sales, and early 1914 orders, given that the outbreak of the First World War cut off deliveries in early August. In order to make the comparison more revealing, cloth was reduced from bales to yards. The breakdown was as follows: for *amerikani* 1 bale = 5 *coria* = 25 *gora* = 750 yds.; for *kaniki* 1 bale = 5 (Mwanza) *coria* = 100 *gora* = 375 yds.; and for *kangas* 1 bale = 25 (Mwanza) *coria* = 100 *gora* = 500 *nguo* = approximately 930 to 1,000 yds.

30. Wieda, Mwanza to O'Swald, Hamburg, 6.7.14. HSA 621-1/22/11, #25, imports: 1.

31. Meyer, Mwanza to O'Swald, Hamburg, 11.6.07. HSA 621-1/22/2, #13:11-2; Döring, Mwanza to O'Swald, Hamburg, 5.3.08. HSA 621-1/22/3, #7:7-8; and Pabst, Mwanza to O'Swald, Hamburg, 11.4.11. HSA 621-1/22/7, #10:3.

32. Döring, Mwanza to Hamburg, O'Swald, 19.7.12. HSA 621-1/22/8: no date: 5.

33. Meyer, Mwanza to O'Swald, Hamburg, 18.11.07. HSA 621-1/22/2, #28:6.

34. Meyer, Mwanza to O'Swald, Hamburg, 9.1.07. HSA 621-1/22/2, #1:8.

35. Ibid.

36. Döring, Mwanza to O'Swald, Hamburg, 25.10.13. HSA 621-1/22/9, #45, imports: 1.