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A STUDY ON PROBLEMS FACED BY INDIAN HANDICRAFT INDUSTRY & SUGGESTIONS FOR GROWTH WITH SPECIAL FOCUS ON DIGITAL MARKETING

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ABSTRACT

In India, handicraft industry is a major source of income for rural communities employing over 7 million artisans including a large number of women and people belonging to the weaker sections of the society. At present the rural producers/suppliers are struggling to market their products and services due to various reasons. Artisans are depended on the middlemen for raw materials, finance and market for the finished products because of their illiteracy, ignorance and poverty. The present study deals with the magnitude of the problems/constraints that affect handicraft export oriented firms in India and use of Digital marketing strategies for the future prospects of handicraft industry and exporters. This research is limited to use of digital marketing strategies and does not discuss about any other marketing & promotional strategies. The exporters of handicraft products can utilize digital marketing as extended arm for marketing & promotion and reduce reliance on middle man and on the other hand digital marketing agencies / firms can see this as a new business avenue. The turnaround of handicraft sector will help vast weaker population of India to become financial self-sustainable. The old research papers suggest various conventional strategies for marketing &

promotion of handicraft industry but no specific research has been conducted on how Digital marketing strategies can turn around the sector

Key words

Handicraft, Digital marketing, artisans, export problems, employment

INTRODUCTION

(1.1) Handicraft Industry

The handicraft industry of India is characterized by highly labour intensive and one of the biggest cottage based industries of its kind. It is spread well over rural and urban India since ages. It is not only full time work but many artisans also involved in part time work of handicraft as another stream of revenue generation for their livelihood. The handicraft industry provides direct and indirect employment to over 7million people on PAN India basis and it comprises large chunk of women and also people from weaker part of society . The widespread globalization has made handicraft products as commodities and India based artisans are facing huge competition from all over the world. In this globalised world with ever increasing modern marketing techniques it has become imperative for artisans of India to adopt latest marketing techniques

like Digital Marketing. This paper aims to look in to nitty- gritty of handicraft industry, its contribution to economy and contribution of digital marketing as one of the key drivers to turn around the industry.

Handicrafts have been seen as expression of specific culture or community made by that community's craftsmen/women. It is wide home accessory market comprises of handcrafted, semi hand crafted and partial machine or tool made objects. The buyers of handicraft perceive them as unique product which represents the culture, tradition, skill & local material of the particular country.

The definition of handicraft goes like "Objects made up by simple tools and usually traditional or artistic in nature". They can be used for utility but by and large it is utilized for the purpose of decoration. Although handicraft industry contributes to economy in modest amount, it however plays vital role since it generate employment of reasonable population of India.

After agriculture sector, this is the second largest industry in India which is still decentralized and unorganized even after many decades of independence. India is one of the key suppliers among many other nations in world market.

The handicrafts can be classified in to following categories:

1. Decorative items: They are produced for commercial purpose and mainly used for decoration and has lot of popularity. It includes jewels, ornaments, earrings, ankle bells, necklaces, head gears, head dresses, etc.

2. Consumer goods: This kind of goods is generally produced for self-consumption or for exchange purpose. For example, baskets for keeping domestic articles, hunting arrows, combs, smoking pipes, footwear, storing, wooden and stone plates, textile items like shawls, coats, jackets, etc.

3. Processing industry: This includes self-consumption entities and they are also sold for exchange at weekly haat on barter age system. They are sold for revenue to procure raw material for other product. Mainly minor forest items fall in to this category.

Apart from above, there are also other decorative products like wall paintings, deities made up of wood or stone. The variety of handicrafts material consist of textiles, metals both precious and semi-precious, ceramic, glass etc.

Bamboo Handicrafts	Cane Handicrafts	Bell Handicrafts	Metal Handicrafts	Bone and Horn Handicrafts
Brass Handicrafts	Clay Handicrafts or Pottery	Jute Handicrafts	Paper Handicrafts	
Rock Handicrafts	Shell Handicraft	Wood Handicrafts	Silver Filigree or Meenakari or Tarakashi Handicrafts	

(Source: <https://www.mapsofindia.com/maps/crafts/>)

The distribution channels are not yet very well established and professional enough. The artisans utilize following distribution channels of their finish products

1. Wholesalers: They offer products from various parts of the country to retailers spread in different states for direct sales. They also provides storage & distribution facilities but usually keep large cut of the margin.

2. Importers / distributors: Most of the Indian handicraft companies take service of importers / distributors to sell & also market their products. These distributors are established one and have their expertise in sale, market and distribution of the handicraft products.

3. Department stores: These stores buy directly from various manufactures and offer their buyers a whole range of products under one roof.

4. Independent agents: They are the commercial people having wide connections and knowhow of the market. They connect small manufactures directly

to distributors, owners of departmental stores and direct big buyers.

5. Internet sales: Internet sales or E-commerce is contemporary method for the sales of handicraft items by keeping middlemen aside.

6. Teleshopping: Teleshopping provides plenty of benefits over other media like professional presenters represent the products in more detailed and concise fashion to grab attraction of buyers. However, it is also costlier method of sale & marketing.

7. E-commerce: It has become one of the latest & modern tool of selling & distribution with least expenses. It provides the suppliers of these products with global platform to showcase the products with logistic facility and wide customer base.

The Indian handicraft products have been well appreciated in Global market because of its splendid blend of artistic oddity and unique craftsmanship. The rural and cottage industry being the key contributors of handicraft comprise over 78% of total production.

There has been some fall in to the demand owing to fierce competition in this industry from world over because of commoditization, latest manufacturing processes and inability of Indian suppliers to use latest sales & marketing techniques digital marketing one of them.

The total export of the year 1998-1999 was 35659.14 million USD, and out of those Handicrafts was 1481.93 Million USD. In the year 2013-14, the total export was 311855.3 million USD and out of that the handicraft was 3304.90 million USD. This shows the stiff rise in the export in Indian economy but handicraft industry has not picked up the same rate unfortunately (Mir, Bhushan, 2014). In the latest data, Total export of handicrafts from India grew by 11.07 per cent to US\$ 3.66 billion in FY 2016-17.

(1.2) Digital Marketing:

Having studied the handicraft industries & associate problems of artisans, it is inevitable that if the artisans still do not have any direct way of sales and market of their products instead they always have to depend of agents or intermediates who in most of the cases draw out the margins of the products and artisans left with wafer thin margin on their precious craft. The apparent solution of this problem is to connect artisans & their products to their buyer and end users, enable artisans to showcase their entire product portfolio before potential buyers along with the entire process of manufacturing which gives the buyers fair idea about degree of efforts involved which result in to commensurate prices of the products. In the era of technology and communication, the artisans seem to be laggard in terms of capitalising the same and grab benefit of direct sales and marketing of their products to not only to the domestic market but to also global market. This paper aims to put forward importance of two key tools of digital marketing i.e. social media and SEO (Search Engines Optimisation) and how appropriate use of this strategy lead artisans to successful product awareness to its buyers & end users without losing money in midway.

According to Evans (2008), Social Media relates to a self-generated, authentic conversation between people about a particular subject of mutual interest, built on the thoughts and experiences of the participants. Therefore, Social Media is definitely all about sharing and aiming at a collective vision, often intending to offer a more-appropriated or informed choice at the end. Furthermore, Social Media changes over time as it allows people to generate the content in a participative way whenever they want to add any additional piece of information. Social Media are also evolving constantly as they are part of internet high technologies, which are modified

regularly with additional or replacing features.

Social Media covers a wide variety of “online and mobile, word-of-mouth forums including social networking websites, blogs, company sponsored discussion boards and chat rooms, consumer-to-consumer email, consumer product or service ratings websites and forums, Internet discussion boards and forums, and sites containing digital audio, images, movies, or photographs, to name a few” (Hollensen, 2011).

Search engine optimization (SEO) is the process of improving the visibility of a website in search engines via natural – or organic – search results. These are the regular search results you will see if you search for a topic on your favourite search engine, rather than the sponsored links that will appear because a company has paid to be high up the search results. As mentioned in the introduction, SEO is quite simple in theory, but in practice becomes almost a magic art of engineering more natural popularity for a website to ensure that it is placed higher in search results.

There is a snowball effect in that the higher up the search results a site starts appearing, the more often it will be clicked and this popularity will also play a factor in future search results.

LITERATURE REVIEW

(Mir, Bhushan, 2014)The authors have described that the handicraft industry has deeply roots and is spread over the entire country and also contributor of significant part of the export of the rural economy. The handicraft sector is important for the economy due to its employment generation, foreign exchange earnings and vast untapped export potential. India’s share in the world handicraft market is a dismal 2% as compared to China which claims 17% of the world market share.

(Ghouse, 2012) The author has brought up major reason for India’s low share in the international market is low international market awareness, poor information about upcoming trends in the international market, marketing inefficiencies, weak infrastructure as compared other handicraft exporting nations and use of obsolete technology in manufacturing of the handicrafts.

(Bhat, Yadav. 2016) The authors have concluded that the future of the handicraft industry looks promising; all it needed is the effort of government, and dedication of artisans to promote its well-being. This sector has potential of sustaining both local, and international market by providing employment, and revenue to the home country, and providing important craft items to the world market.

(Khan, Amir, 2013) The author illustrated that various marketing problems faced by artisans ranging from shortage of financial resources and small scale of operation; advertising publicity cannot be undertaken by artisans. Hence, it is suggested that the Corporation may increase advertising and publicity for all the crafts. The Corporation should save the artisans from the exploitative clutches of middlemen by purchasing handicrafts at remunerative prices from artisans by giving payments promptly.

(Sarah, 2012) The author argues that in today’s social media driven environment, it is essential that small businesses understand Facebook, Twitter, and the strategies behind using social media. With this mostly controlled medium, businesses have the opportunity to communicate with a wide variety of publics. Small businesses need to understand how to use social media sites to engage customers and create relationships which will in turn grow their business.

(Celine, 2012) The author has pronounced the main benefits encountered of social media usually are increased brand exposure and reputation

management, increased targeted traffic and Search Engine Optimization, word-of-mouth and leads generation, market insights related to target audience and competition, public relations facilities and recruiting. In addition, while Social Media Marketing is also an extremely cost-effective solution, it mostly depends on which type of Social Media channels is used.

At last, we would like to put forward a case study of a small shoe maker from Bangalore who has increased his sales and became a brand itself with the help of SEO (Search Engine Optimisation). This very case study can be resembled with small artisans engaged in to manufacturing of handicraft products.

GAP ANALYSIS

Having explored various secondary data available in research journals, online magazines etc., it is quite evident that there is no research carried out in the field of handicraft industry about usage of digital marketing as effective and modern tool for marketing & promotional activity. The artisans still use the traditional media & techniques for marketing & promotion. On the other hand, there have been various cases of small & medium size businesses that have turn around with the help of digital marketing vis. Social media marketing and SEO (Search Engine Optimisation). Hence, this paper aims to study use of digital marketing in handicraft industry in order to reach out to their potential customer and showcase their unique craftsmanship before the global audience.

Objectives

1. To study the awareness of manufactures or artisans about digital marketing as a tool of marketing in handicraft industry
2. To study the importance of digital marketing and how handicraft manufacturers can use digital marketing as

an important instrument to reach out to their customers.

RESEARCH METHODOLOGY

This research paper is exploratory, and based on the secondary data. The secondary data for understanding the current trends in digital marketing, across the globe have been collected from various sources such as, e-journals, periodicals, research reports, annual report of previously conducted studies in this direction. Primary data has collected from 19 handicraft product sellers from Ahmedabad through online questionnaire and personal interview. Some case studies of successful digital marketing campaigns are quoted from secondary data.

CONCEPTUAL FRAMEWORK

With the help of below conceptual framework, we are trying to see how use of digital marketing can assist a company to (I) reach to more target audience (ii) increase sales revenue. Therefore, we have proposed given framework where use of digital marketing is the independent variable which can be divided into two parts namely, social media marketing and search engine optimisation, and there is one dependent variables namely business growth



Hypothesis

Two main null hypotheses which have been framed for this study were:

1. H0 1: There is no significant relation between use of digital marketing and business growth of with respect to handicraft industry.

2. H0 2: There is no significant relation non users of digital marketing and awareness about benefits of digital marketing with respect to handicraft industry.

Hypothesis Testing

H0 1: There is no significant relation between use of digital marketing and business growth of with respect to handicraft industry.

Table 1: Results of Chi-Square Test

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.000 ^a	2	.000
Likelihood Ratio	21.901	2	.000
N of Valid Cases	19		

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	1.000	.000
	Cramer's V	1.000	.000
N of Valid Cases		19	

The above table 1 indicates that there is a statistically significant relationship between use of digital marketing and business growth. Since the calculated value of Chi-square (~19.00) is greater than the tabulated value (~5.99). It is evident that data set obtained by the researcher indicates that variables ‘the use of digital media’ and ‘business growth’

are dependent. Hence we reject the hypothesis at 5% level of significance.

The strength of association between the two variables are calculated by Cramer’s V Coefficient and its value is found to be 1.00 indicating a high level of association between the use of digitals media and business growth.

H0 2: There is no significant relation non users of digital marketing and awareness about benefits of digital marketing with respect to handicraft industry

Table 2: Results of Chi-Square Test

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.421 ^a	3	.001
Likelihood Ratio	19.128	3	.000
N of Valid Cases	19		

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.930	.001
	Cramer's V	.930	.001
N of Valid Cases		19	

The above table 2 indicates that there is a statistically significant relationship between non users of digital marketing and awareness about benefits of digital media. Since the calculated value of Chi-square (~16.421) is greater than the tabulated value (~7.82). It is evident that data set obtained by the researcher indicates that variables ‘Non users’ and ‘awareness about benefits’ are dependent. Hence we reject the hypothesis at 5% level of significance.

The strength of association between the two variables are calculated by Cramer’s V Coefficient and its value is found to be 0.930 indicating a high level of association

between non users and awareness about benefits of digital marketing.

FINDINGS

1) From secondary data:

a. Successful use of search engine optimisation

Lalu Dass Shoe Maker, a small shoe manufacturer located in the heart of Bangalore on Brigade Road, specializes in custom made leather shoes for men and women. While Mr. Lulu Dass has been in business for the past 60 years, very little has been known about him online until very recently. In the brick and mortar world, however, his reputation is monumental. Customers speak at length about the quality, comfort, and price of his shoes as well as the humility of this great artisan. Just by SEO efforts by professionals within 2-3 weeks, following 3 major changes took place in his business.

While searching with keyword of “Leather shoes in Bangalore”, the page Lulu Das came to top of Google page.

Conversion Rate: More business enquiries from online, almost 10X customer enquiries (than the offline customer footfalls), out of which 3X more customers placed orders. This is a whopping 30% Conversion Rate.

Branding & Awareness: Lulu Dass Shoes has become a brand name by itself online. Search for it and you will get all the relevant details.

b. Successful use of social media

Sr No	Company	Purpose	Strategy adopted	Impact	Platform used
1	Superdry (Apparel manufacturer)	Product launch	Superdry Tweet Fuel	Generated 2600+ tweets and 5.4 million+ impressions reaching an audience of 1.5 million+ people in 5 days.	Twitter ⁴
2	Shine.com (job portal)	Awareness	Contest	Created 15000+ Tweets, 400 Followers added in 1 day	Twitter ²
3	Glu (game application)	reaching new audiences	smart photo ads displaying a real chef	39% increase since their preceding Instagram campaign	Instagram ⁶
4	Once Again (NGO)	Collection of old items for needy	The Biggest Tagging Drive, to drive donations.	All this led to a collection of 50,000 items and the money generated from the sale of these goods increased by 462%	Facebook ⁷
5	Sheops	Women empowerment	Connect with women	59,000 community members on Facebook, 30,000 active members on website	Facebook ⁸

The highlighted examples clearly show the several noteworthy developments in the different sectors in the business niche. Increased number of visitors, growth in the total sales and an upward trend in the rates of conversion are all sign that SEO and social media marketing are effective instrument in taking your business. You only have to get the right professionals to do it.

2) From primary data

2.) Which from following do you use for promotion of your handicraft products?

	Frequency	Percent	Valid Percent	Cumulative Percent
Customers Reference	1	5.3	5.3	5.3
Internet marketing	1	5.3	5.3	10.5
leaflet distribution	1	5.3	5.3	15.8
Participation in trade show	5	26.3	26.3	42.1
Participation in trade show; Internet marketing	1	5.3	5.3	47.4
Participation in trade show; Print media (magazines, newspapers)	6	31.6	31.6	78.9
Participation in trade show; Print media (magazines, newspapers);Internet marketing	4	21.1	21.1	100.0
Total	19	100.0	100.0	

Do you use digital marketing

	Frequency	Percent	Valid Percent	Cumulative Percent
No	5	26.3	26.3	26.3
Valid Yes	14	73.7	73.7	100.0
Total	19	100.0	100.0	

4.

4. If no, please state the reason.

	Frequency	Percent	Valid Percent	Cumulative Percent
Expensive & time consuming	14	73.7	73.7	73.7
No awareness	1	5.3	5.3	78.9
Not sure about advantages	2	10.5	10.5	89.5
Total	19	100.0	100.0	100.0

5.) From the following which digital marketing tools do you use?

	Frequency	Percent	Valid Percent	Cumulative Percent
E-commerce (online sale);Social media (Facebook, Twitter, LinkedIn, Instagram)	5	26.3	26.3	26.3
Social media (Facebook, Twitter, LinkedIn, Instagram)	3	15.8	15.8	42.1
Total	11	57.9	57.9	100.0
Total	19	100.0	100.0	

What are your objectives for using digital marketing?

	Frequency	Percent	Valid Percent	Cumulative Percent
Connect with customers;New product launch	5	26.3	26.3	26.3
Generate new sales inquiry	1	5.3	5.3	31.6
Generate new sales inquiry;Build network	7	36.8	36.8	68.4
Generate new sales inquiry;Connect with customers	1	5.3	5.3	73.7
Generate new sales inquiry;Connect with customers;New product launch	1	5.3	5.3	78.9
Generate new sales inquiry;New product launch	3	15.8	15.8	94.7
Generate new sales inquiry;New product launch	1	5.3	5.3	100.0
Total	19	100.0	100.0	

9.) From the following which source do you use for digital marketing?

	Frequency	Percent	Valid Percent	Cumulative Percent
Agency / service provider	5	26.3	26.3	26.3
By your own	12	63.2	63.2	89.5
Total	2	10.5	10.5	100.0
Total	19	100.0	100.0	

10.) What percentage of marketing budget do you invest on digital marketing?

	Frequency	Percent	Valid Percent	Cumulative Percent
0 - 10 %	5	26.3	26.3	26.3
10 - 20 %	12	63.2	63.2	89.5
Total	2	10.5	10.5	100.0
Total	19	100.0	100.0	

ANALYSIS

Majority of respondent have social media marketing page to promote their business.

Respondents who are not using digital marketing have perception that it is expensive and time consuming media which may not give return on investment.

All those who are using social media marketing have only focus on social networking sites for promotion; they are

not focusing on (SEO) search engine optimisation.

63% respondents are depending on agency for digital marketing activity, they don't have any in house team to work on it.

73% of respondents are clear about objective behind using social media.

Majority of respondents do not have clear knowledge and awareness of digital marketing, hence not using it in aggressively fashion to get commensurate return on it.

Secondary data is suggesting that there is huge scope for doing promotion through digital marketing which can generate more business for even small businesses.

Scope for Further Research

This research paper has taken in to account only two main components of digital marketing vis. Social media marketing and SEO. The further research can also be conducted on other tools of digital marketing like B2B portals, E-commerce, Pay per click (paid SEO), YouTube channel marketing, paid marketing on various social media platforms name a few. At the same time, the research has been conducted for only handicraft industry based out at Ahmadabad and outskirts. The further research can be carried out for other small & medium size businesses from industries like food, education, finished garments, small IT service providers etc.

CONCLUSION

The Indian handcraft is one of the oldest industries evolved in to contributor in Indian economy helping over 7 million people to get employed especially to women and community of weaker section of the society. Hence, the significance and growth factors pertain to this industry cannot be ignored. Moreover, the products of Indian artisans are appreciated across the globe for its unique

craftsmanship and artistic oddity. It has immense potential for growth not only in domestic market but also in to global market via export. However, at the same time, it is imperative to make buyers of such products aware about such unique product line. Because of lack of knowledge about latest marketing technologies and preference of artisans towards conventional marketing tools, the products are not able to reach to its target audience. Many artisans even don't know about digital marketing and very few of them are only restricted to 2 or 3 organic social media platforms. There have been cases where small companies / business men turn around their businesses in to a successful venture with right permutation and combination of various digital marketing tools. It is high time for artisans to start using various digital marketing strategies mainly SEO and social media platforms to showcase their product range and connect with their potential buyers about feedback and continual dialogue. This will enable handicraft manufacturers to reach out to customers, sale & marketing their product and survive & flourish in fierce global competition and technologies.

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