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## Inspiring Digitalization of Handicraft Market: An empirical approach

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### Abstract

*Aristocrat India is renowned customs among all other customs in the world. This aristocracy mainly derives from dress and decoration of that particular country. Handloom/Handicraft goods have direct bearing on this aristocracy. Besides maintaining aristocracy, handloom/handicraft products provides primary livelihood to the large number of rural people of the nation. However, the present markets of these products are getting declined gradually. A large number of researches are evident of this fact. The one of the major cause of declining of the market is identified as lack of sales promotions / advertisements which in turn causing lack of customer awareness for these products. Promoting these goods to the Customer through online portal will not only raise the sales promotions / advertisements but also increase customer awareness. Online buyers of city are indicated as population. Samples are drawn from the target population and sample size would be 50. Primary data is collected through dichotomous questionnaire containing close ended questions. For this investigation, “Z” analysis has been used for framing conclusion/suggestion at the end of the study.*

**Keywords:** Handicraft/Handloom, Advertisements, Sales Promotions, Impact of Digitalization in Handicraft market, Customer awareness, Customer buying motives, Employment generate.

### Introduction

Indian economy begins with economy derives from rural India. Economy of rural India is mainly identified through agriculture (Singh, R. N.1961). Besides agriculture, if any, other sector has imposed significance towards the rural

economy of the nation is handicraft sector. However, this sectors is falling due to many reasons are identified as lack of advertisements/ sales promotions and lack of customer awareness (Rossiter, & Percy 1987). Due to the same reasons, customer from

different regions, different district and even from different state become unaware of indigenous goods (Hall, C. M., & Sharples, L. (2004). The same not only indicates under development of sales market of these goods but also gives rise to the market of western goods. (Ha, L. 2003) found that advertisements are mainly of two types: Offline and Online. Flex boards, sales man interaction, newspaper display are mainly types of offline advertisements. *Offline advertisements* tactics can be extremely effective in attracting new customers and flying awareness of your brand in local area and do not provide wide area customer awareness Roberts, M. L., & Zahay, D. (2012). The same persisting problem introduced online advertisements and online market. Due to advancement in technology and digitalization of day to day lives, online market is immensely appreciated for betterment of these sectors. The followings are identified as major factors if online markets of handicraft products are introduced

- i) Wide area customer awareness
- ii) Flexible market facilities without spending time and running distances
- iii) Encouraging indigenous goods covering wide area population
- iv) Development of handicraft/handloom market in terms of offline and online market providing more profits to the artisans
- v) Development of rural economy and further rural society
- vi) Development of market, increased profit making process and societal

developments shall also act as motivational tools for artisans.

### Theoretical Framework

The E-commerce is standing for Electronic Commerce is developing as a smart cum creative method for promoting the business as well as explores the business among the world. In Asia-pacific India has fastest growing E-retail industry today along with China (<https://timesofindia.indiatimes.com>, India Business News). For adopting of smart phone and day by day increasing rate of internet penetration have paved way for new marketing strategy for existing industry. Still, chosen demographics and internet increasing rate helped in assisting the growth. According to (Taylor, T. & Owusu, E.D.E., 2012) internet users in Indian increasingly very high across the globe and probable that India is cross US in the up-coming years. In the era of 20<sup>th</sup> century introduced E-commerce and in this introductory year's it is become the very popular concept for doing the business and economically up-grade the marketing strategy for promoting the setup. In India Handicraft Market is more popular than other nation. Devendra, et al., 2012 stated that e-commerce is one of the best tools where customer can doing their business consists of selling and buying every products or services over electronic system uses of computer networks. E-commerce not only used to changing the infrastructure of the business it also use to change the financial transaction policy with some of the e-services like M-commerce, NEFT, RTGS, PayPal,

Paytm and others allied tools. This will ensure in framing strategies which will be inclusive in nature regarding key business activities (<https://www.smartinsights.com/digital-marketing-strategy>). Seller can use strategy base tools to promote their business like SEO (Search Engine optimization), E-mail marketing, Social Media marketing (like Facebook, Twitter, Instagram, YouTube etc.), SEM (Search Engine Marketing) and SMO (Social media Optimization) and other associated tools also. From the Indian business perspective, ecommerce transformed the business module from offline retail industry to online retail mode and has given a new way for Indian entrepreneur/ marketer (<https://www.ibef.org/industry/ecommerce.aspx>). It had been seen by 2016 ecommerce market had grown to US\$ 200 billion from US\$ 38.5 billion as of 2017. The reason is that increasing rate of different factors like smart phone penetration, increased usage of internet, introduction of many online portals in India, new job market etc. The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 from 560.01 million as of September 2018.

As we know that the concept of Marketing which mixed up of science and art of discovering, generating, and delivering value to satisfy the needs of the target market to profit making. It does recognize the frustrated needs and desires. There is another important marketing sector which is Handicraft

from the Indian Context. Handicraft Sector creates new thing, generates new idea, encourage to start-up entrepreneur for setup their business, making different type of crafts products for generating new business which help to Indian Economy.

Armstrong and Kotler (2010) said the marketing deals with customers for building the customer relationship based on their value and satisfaction. Now the rural producers are stressed for their own products and amenities to enter the market for selling and promoting their products from local to national to global market. Artisans are fully depend on the middleman to collect the raw materials, revenue collection and finished products because of the scarcity, inexperience. The achievements of Handicrafts depend on various innovative products and define the market with help of tests and preferences of customers. Many of the artisans face some problem like transporting problem, low cost of the hand made products, lack of access materials, different equipment's, shortage of skilled labour, infrastructure problem, policy uncertainty, income tax and one of the major problem is promoting their products. And as a consequence Business producers are not getting proper revenue. As reported by ASSOCHAM: It is forecast that demand of the handicrafts product into the international market is so high and their economic growth is increasing stage which is from 17,000 crore to 24,000 crore by FY 2020-21. Some of the major states with significant number of cluster

like Odisha, West Bengal, Maharashtra and Gujrat these are very popular area in India for handcraft product making.

The last point which also highlights to Indian Handicraft industry with the help of online process give the impression that Indian handicraft industry is one of the prominent industries in the world. But there is no such prominent product from the handicraft community which is available in the online portal. A number of e-commerce firms such as gaatha.com, craftsvilla.com, naaptol.com, Flipkart.com, Amazon.com and okhai.com have now taken it upon themselves to market India's innumerable handicraft items to the world at large. 'Gaatha' is among one such leading handicraft selling website, they believe that their only focus points are not their customers alone, and they focus on pairing of the craftsperson and the customer. Name of the few companies has already started their business in digitalization mode like "Madhusree Textile" selling their powerloom saree through Flipkart and Amazon. They meet every single artisan with whom they work. Not only a single meeting but they stay with them and understand their work and way of life. 'Gaatha' and many such websites initiates the improvement of artisans in order to improve their social and economic condition coming to Indian handicraft market and its presence on online retail platforms, we don't see any prominent products related to handicrafts online, though India is one of the major handicrafts suppliers to the world market. India is one of the best

handicraft countries deliver products in fifty countries in the areas of rural and urban.

In such conditions modern marketing techniques such as e-commerce in the handicrafts sector can be asset to artisans as they can compete in today's fierce competitive and complex business environment. It will also give Indian artisans an extra edge among other countries. In this sector, artisans make a product from purchase raw material to finished goods with their full skills, labour worth Rs. 100 and the time of product delivery to traders for Rs. 110-120. After making the product, finished good is sold through numerous coatings of traders till reaching to distributors and retailers of RS 160-180. Price of the final product for the consumers is around RS 250 to 300. As a result, in the current supply chain, inefficient intermediaries in aggregate receive a margin of 150-200%. However, manufacturer is getting only 10-20% profit margins.

Some of the portals like craftsroot.com, flipkart.com have created new openings for artisans, as they have already opened another door for luxury products but simultaneously product accessibility and availability on online has only enhanced for the art expertise. This is the strategy that also helps in the international market for selling their products. Dr. Parul Deshwal, (2016) made a paper on the topic "Online advertising and its impact on customer behavior" and from his investigation he suggested that "World Wide Web (WWW) is gradually a great

advertisement medium with increased adoption of online advertisement and uses of social media. Antum BILOS, PhD, Ivan RUZIC, PhD, and Ivan Kelic in their article, "Online and offline are more usefulness based on shopping center communication purposes" (published in June 2014) stated benefit of online advertisement. Bhagat, et al., (2019) examines the entrepreneurs' perspective on initiation, acceptance, adoption decision and implementation of digital marketing for their enterprise. Leung F.W & Cossu A., (2019) implemented an empirical survey on Taiwan and Thailand country of digital entrepreneurship in East Asia as informal work. Digital entrepreneurs in East Asia can be thought of as a new class of 'creative workers' who aspire to the neoliberal ideals of the West that advocate free markets and individualism. While digital entrepreneurship offers low-cost opportunities, it also represents highly precarious careers. Yadav R & Mahara T., (2019) examined empirical Study of Consumers Intention to Purchase Wooden Handicraft Items Online through Technology Acceptance Model (TAM). In this paper researcher have shown how e-commerce helps in handicraft industry to increase their sell globally and expand the products digitally through portal.

Our government is not far behind; The Vice chairman of Export Promotion Council for Handicrafts (EPCH), Mr. Rajesh Kumar said that e-commerce portals are the best way to create a stable market for the handicrafts of India. Mr.

Rajesh also suggested that our handicraft products offer huge openings and opportunities for international and national market. The industry experts said after embedding the e-commerce in handicraft industry sale is increasing day by day and lot of new start-up is generating.

### **Research Gap**

After completion of detailed literature survey, it has been learnt that there is a direct co-relation between factors concerned with subject study are under mentioned:

1. Customer awareness towards a product is directly co-related with online advertisement for particular product.
2. Increment in total sales volume of a product is co-related to customer awareness towards that product. A field survey through face to face interview has been carried out by the researcher in areas wherever handicraft/handloom products are produced and following points where learnt:
  - (a) The handicraft/handloom products are lacking of sales promotions/ advertisements.
  - (b) Wide area customer awareness is very poor due to under sale promotions/advertisements.
  - (c) The market of handicraft product in West Bengal is declining day by day mainly due to sale promotion/advertisement & customer awareness.

Hence, It is evident from the above that the handicraft/handloom market of West Bengal is declining day by day which requires detailed study to identify major causes of declining .i.e. sales promotions/ online advertisements/ online markets and customer awareness. This study will not only help to suggest possible measures be taken to revive but also contribute towards the development of artisans, society, and state and after all nation's economy as a whole.

### Objectives

From the literature survey it has been found that there is a gap between the proper impacts of digitalization in handicraft industry. However, based on the gap some specific objectives have been framed:

- i. To specify customer awareness, an indicative factor for increasing sales of handicraft/handloom goods.
- ii. To find out whether online portal is perceived as an important catalyst for promoting handicraft products globally.

### Hypotheses

**Ho<sub>1</sub>** : Online advertisement of handicraft is not an influential factor for accelerating customer awareness.

**Ho<sub>2</sub>** : Online portal market does not act as catalyst for changing customer buying motives.

### Research Methodology

The research gap is revealed by co-relating conclusions/ suggestions from previous research papers relating to this

subject proposal and persisting market system in the sectors of handicraft/ Handloom in West Bengal. The questionnaire for assessing the preference of the consumers after their purchase of handicraft products via online has been distributed to the respondents. The research paper is the descriptive one to analyze the changes which we see in the society due to the change in doing handicraft business and also marketer will be benefited.

Here, our research model has been established with the help of both primary and secondary data. A dichotomous structure questionnaire was framed with related variables for pilot survey. Most of the related variables were taken from literature and were added possible variables after discussion through expert who is working on that field. Sample are drawn randomly from peer group from smart city Kolkata which under the state, West Bengal. 50 respondents were finally collected out of 80 questionnaires for this investigation. The data are refined and transformed into proportions for putting into statistical "Z" analysis for testing of Hypotheses. Z-analysis is used for whether two populations mean are different and the population of study area is large and variance is known. For this investigation the survey period was from 1<sup>st</sup> July, 2019 to October, 2019.

### Data Collection and Analyses

#### Data collection

As we know that there are two categories of data collection. Primary data collection is quite expensive and time

overshadowing compared to secondary data survey. In any primary investigation of the research, source of primary data is an original data source, that is one in which the data are collected firsthand by the researcher for a particular investigation/research purpose. There are the different methods where primary data can be collected like interviews, field observation, pilot survey, experiments and most common techniques are self-administered surveys. Nevertheless, primary data collection may be the only suitable method for some types of research (<http://methods.sagepub.com/reference/encyc-of-research-design/n333.xml>). In this investigation researcher have been used both primary and secondary sources. For primary sources pilot survey has been done which is specially collected by the customer and for secondary data researcher have been used few reliable sources like magazine, related research articles, reports, books. This investigation will discuss about the data used for each variables of study.

### **Questionnaire development and Pilot testing**

In this investigation dichotomous questionnaire has been designed. The Questionnaire framed was translated to Bengali and again translated back to English in order to achieve semantic reliability. The amenability of the paper with hypothesis validity, content validity, Representation validity, faces validity, criterion validity and predictive validity have been checked.

### **Research Question:**

For this investigation open ended dichotomous questionnaire has been made. The study was established to excavate the question how ecommerce and innovative strategies have directed to explore the handicraft industry.

### **Analysis and discussion**

**H<sub>0</sub>: Online advertisement of handicraft/ handloom is not an influential factor for accelerating customer awareness.**

Further, it is hypothesized that 60% of population opined that online advertisement of Handicraft/Handloom is an influential factor for increasing customer awareness. Appended below please find the tabular format containing inputs refined from primary data collected from target population through close ended questionnaire.

Formula of statistical “Z” analysis is under mentioned:

**Table 1**

Formula of statistical “Z” analysis is under mentioned:

$$Z = \frac{p_0 - \mu_0}{\sigma \text{ for } p_0}$$

$$\text{Where, } \sigma \text{ for } P_0 = \sqrt{\left(\frac{p_0 q_0}{s}\right)}$$

$$\text{and } q_0 = 1 - p_0$$

After completion of calculation, it has been found that value of Z = 6.087. After applying 5% level of significance the value of Z is supposed to be restricted within 1.695. Hence, it is observed that value falls within rejection region. The

same indicates that **Null hypothesis 1** is rejected and it is evident that online advertisement of handicraft is an influential factor for changing customer buying motives.

**H<sub>02</sub>: Online portal market does not act as catalyst for changing customer buying motives.**

Further, it is hypothesized that 60% of population opined that online portal market acts as catalyst for changing customer buying motives. Appended below please find the tabular format containing inputs refined from primary data collected from target population through close ended questionnaire.

**Table 2**

Formula of statistical “Z” analysis is under mentioned:

$$Z = \frac{p_0 - \mu_0}{\sigma \text{ for } p_0}$$

$$\text{Where, } \sigma \text{ for } p_0 = \sqrt{\left(\frac{p_0 q_0}{s}\right)}$$

$$\text{and } q_0 = 1 - p_0$$

After completion of calculation, it has been found that value of  $Z = 4.624$ . After applying 5% level of significance the value of  $Z$  is supposed to be restricted within 1.695. Hence, it is observed that value falls within rejection area. The same indicates that **null hypothesis 2** is rejected and it is evident that online portal market acts as catalyst for changing customer buying motives.

**Fig 1:** Conceptual Model- Promotion of Handicraft market through online advertisement and e-portals

## Conclusions

After completion of detailed statistical analysis of designed hypotheses following are observed:

There is firm association between advertisement and sales market of handicraft/handloom. Offline advertisement can only influence local people and provides consumer awareness within small area. Online advertisement and online portal market are deemed necessary for following reasons:

- i) Wide area consumer awareness can be provided
- ii) Flexible market facility can be ensured through online portal
- iii) Wide area consumer awareness and flexible market facility shall increase the gross sales volume of indigenous goods which shall in turn increase profit of artisans
- iv) Increased profit of artisans shall provide them better social lives.

Handicraft export promotion in India is handled by the Export Promotion Council for Handicrafts (EPCH). Industry experts believe that global trade now depends upon more on ecommerce along with traditional medium for trading.

## Managerial Implications

The findings of this research will be a torch bearer for uplifting and promoting the export of the handicraft products. The extracted findings that the advertisements and online portals have detrimental effect in enhancing the sales of the handicrafts will balance the



fulcrum for designing the marketing strategy. Hence incorporation of this due factor will boost sales of handicraft and handloom product. The E commerce platforms can diversify their strategy and promote this value added indigenous products through its diluted loci. Through online market or ecommerce platform, the net profit of the artisans will also get improved, thus strengthening rural economy. These factors will also advocate for moderate export and import policy so that the export of the handicraft products can also be encouraged. Besides these, the vibrancy of Indian culture interwoven in Handicrafts will spread the spirit of Indigenous culture which will also boost tourism and forex reserves.

### Limitation of the Study

This qualitative and quantitative based research has been surveyed on the online handicraft buyer of the smart city, kolkata only. In future, the research can be extended to other parts of the West Bengal. In West Bengal most of the areas where artisans make their products uniquely but due to some convenience and economic problems they could not sale their products in proper margin in the market and not getting proper cost from the vendor what they have made uniquely. Researcher will cover this area for their future study. The strategies based on this frame work can be utilized to frame and incorporate it in handicraft market in Bengal and procedures for sustainable development of the handicraft organization through digitalization.

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**Appendix:**

**Table 1**

Total sample size	S	50
Total number of online customer opined that online advertisement is influensive factor for increasing customerawareness	P <sub>o</sub>	44
Proportion	P <sub>o</sub>	0.88
As, it is Hypothesized that 60% of population opined that online advertisement of Handicraft/Handloom is an influensive factor for increasing customerawareness	μ <sub>o</sub>	0.60

**Table 2**

Total sample size	S	50
Total number of online customer opined that online portal market acts as catalyst for changing customer buying motives	P <sub>o</sub>	42
Proportion	P <sub>o</sub>	0.84
As, it is Hypothesized that 60% of population opined that online portal market acts as catalyst for changing customer buying motives	μ <sub>o</sub>	0.60

**Fig-1**

