

Problems of Handicrafts Marketing in India

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ABSTRACT: The handicrafts sector is important for the Indian economy as it is one of the largest employment generators and accounts for a significant share in the country's exports. The state and regional clusters contribute significantly to handicrafts export. The Indian handicrafts industry is fragmented, with more than seven million regional artisans and more than 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets. Handicrafts is one of the key export segments of Indian trade faced with several problems such as unorganized marketing and inadequate market information; inadequate support mechanism for product development; power interruptions and other infrastructural deficiencies; inadequacy of raw material at appropriate prices; lack of mechanism for dispersal of technology for enhancing productivity; final finishing and lack of investment for fulfilling international requirements and a general poor image of the country as a supplier of quality goods with consistency.

KEYWORDS: Handicrafts, Export, Technology, Deficiencies, Requirement and Development.

I. INTRODUCTION

Crafts are an integral part in the life of an Indian, despite the rapid social and technological changes that are taking place. In the Western world, special artists create craft objects and they are considered as luxury items. But in India like many other developing countries it is the main source of employment for a vast majority of the population, next to agriculture. Handicrafts can be defined simply as objects made by the skill of the hand and which carry a part of the creator as well as centuries of evolutionary tradition. It can range from the simple clay-lamps to the diamond-studded jewellery items. Handicrafts consists of objects created by skilled people for religious rituals, like wedding and celebrations and for personal use as well as luxurious ones created by specialized craftsmen for specific requirements. Handicrafts bring a great sense of grace to every home be it the poor hut or the opulent star hotel. There is a timeless quality in these craft objects, for they have evolved over centuries and continue to be made even today with the same sentiment.

There are three main classifications of crafts:

- Folk Crafts
- Religious us crafts
- Commercial crafts

Bihar Folk Embroidery:

People for their personal use, or for a limited client base create folk crafts. Folk embroideries done by the village women folk of India are a good example. There are craftsmen who are specialized in creating textiles or jewellery which meet the criteria set up by a particular group of people, usually a particular caste or community. They have their own distinctive designs and styles

Bronze lamp used for worship:

Religious crafts are developed around religious centers and themes. These craft items are connected with religious institutions and relevant ceremonies. Various religious places in India are specialized in particular craft items. For example, Varanasi and Kanchipuram in Tamilnadu specialize in weaving clothes for religious ceremonies, particularly silk materials. Similarly Puri in Odisha, which is a big pilgrim center, is connected with crafts like patacharita- a painting on cloth and wood and stone carvings. Specialized craftsmen of a particular group who are specialized in a particular skill and who can completely master the craft do commercial crafts. They even have sub groups, which work for particular groups, and their tools and techniques may vary. The Weavers, the Dyers, the Printers, the Goldsmiths and the Carpenters are some of the commercial craftsmen.

Handicrafts Exports from India:

The handicrafts sector is important for the Indian economy as it is one of the largest employment generators and accounts for a significant share in the country's exports. The state and regional clusters contribute significantly to

handicrafts export. The Indian handicrafts industry is fragmented, with more than seven million regional artisans and more than 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets.

Handicrafts is one of the key export segments of Indian trade faced with several problems such as unorganized marketing and inadequate market information; inadequate support mechanism for product development; power interruptions and other infrastructural deficiencies; inadequacy of raw material at appropriate prices; lack of mechanism for dispersal of technology for enhancing productivity; final finishing and lack of investment for fulfilling international requirements and a general poor image of the country as a supplier of quality goods with consistency. The Indian handicraft industry considered to be small scale and cottage sector helps to solve social and economic problems of the artisans, by providing employment to over 70 lakhs artisans and more than 67,000 exporters / export houses promoting regional art and craftsmanship in the domestic and global markets. This includes a large number of women and people belonging to weaker sections of the society. The industry is highly labour intensive and decentralized, being spread all over the country in rural and urban areas. Many artisans are engaged in certain crafts work on part-time basis. Handicraft is a sector that is still explored from the point of view of hidden potential areas. However, in changing world market these craft persons need an institutional support, at their places i.e. craft pockets for value addition and for the edge with other competitors like China, Korea, Thailand etc.

Handicraft exports from India increased by 6.44 per cent year-on-year during 2018-19 with US\$ 3.80 billion. During April-November 2019, export stood at US\$ 2.45 billion. During this period, the exports of various segments like woodwares at US\$ 518.19 million, embroidered & crocheted goods at US\$ 389.69 million, misc. handicrafts at US\$ 700 million, handprinted textiles & scarves at US\$ 234.84 million, imitation jewellery at US\$ 155.61 million and artmetal wares at US\$ 345.9 million. Indian handicrafts are exported across geographies, with the top 10 destinations being the US, the UK, the UAE, Germany, France, Latin American countries (LAC), Italy, the Netherlands, Canada and Australia.

The Export Promotion Council for Handicrafts (EPCH) is the apex government body and operates under the administrative control of the Ministry of Textiles, Government of India. EPCH has the distinction of being considered a 'model council', a self-sustaining body that self-finances all its promotional activities.

II. REVIEW OF LITERATURE

Being a recent move, there have been various researches on different aspects of the initiative ranging from the economical to social and ethical dimensions. Some of these researches retrieved through internet searches have been reviewed here.

Subrahmanyabala (2004) in his study made an important point that the focus of every nation especially India must be the collaboration of ancient art with the modern technology and strengthening of financial infrastructure support in order to make the Small and medium industry grow internationally. This leads in generating employment for the nation with that it would be a tough competition to the international market and improve the national income. Further author says even though the small and medium industry suffered due to globalization but this industry has potential to provide numerous benefits to local as well as to foreign market in terms of growth of units, employment, output and exports.

Shetty (2009) in his study has mentioned that it has become easier for the consumers to buy their handicraft items especially gift items and for manufacturers or artisans to reach out to the consumers where the modern facilities like virtual shops and business to business buying is possible. This modern technology has created business directories in order to meet the demand of the consumers and outline presences of handicrafts. Further states that if such technology reaches to the every manufacture the middlemen will not exploit any of the artisans. Government of India need to indulge them in this for stopping unfair trade practices.

Arindam (2010) also is in opinion that the sector of handicraft has potential of economic improvement without any effect on sustainability. He further identified that handicraft will play pivot role in strengthening the cultural identity, heritage preservation which contributes to the overall development of the national economy with that author states that handicraft sector provides opportunities for entrepreneurs, creates jobs for workers, brings foreign currency to the domestic country through promoting exports and creates demand for the artisans.

Sudha, V. and Krishnaveni, M. (2012). SMEs in India: Importance and Contribution. Lack of market awareness is the main obstacle for any village enterprises to put up their products in urban markets.

III. METHODOLOGY

This paper is descriptive and investigative, based on the secondary data composed from different research papers, journals, and government reports to understand the marketing strategies in handicraft business.

Marketing Mix in Handicraft:

Handicrafts business constitutes concept selling rather than mere product selling. Demand for handicrafts is highly income-elastic. Handicrafts have an expanding market in developed countries. Market research into crafts is negligible, if not non-existent. New trends and designs, new integral ways to feel the pulse of the market need to be determined and disseminated. Marketing touches everyone's life. Marketing involves a large number of activities, including marketing research, product development, distribution, pricing, advertising, and personal selling, sales promotion, packaging and branding. Marketing combines several activities designed to sense, serve and satisfy consumer needs while meeting the goals of the organization. Handicraft units, which are mostly run by individuals with sole proprietary form of organization can't afford to have separate and well-organized marketing system. The artisan-cum-proprietor of the unit looks after all the functions with the help of family members. Most of the time is spent in the production and acquiring raw materials. Usually, the artisans has little knowledge about the market information relating to his products. Hopefully, the artisans in handicraft industry give little importance to the vital marketing function. The role of market research and exploration with appropriate marketing strategies assumes critical importance. An import data analysis of handicrafts and giftware in potential countries will help determine the size and character of different craft markets across the globe. The important marketing aspects are discussed under the heads of Product, Price, Place, Promotion.

Product: A product is a set of tangible and intangible attributes, including packaging, color, price, manufacturer's prestige, retailer's prestige, and manufacturer's and retailer's services, which the buyer may accept as offering want satisfaction.

Pricing: Price is a measure of what one must exchange in order to obtain a desired good or service. Price is the monetary expression value and is the focal point of the entire exchange process. Historically, prices have been set by buyers and sellers negotiating with each other. Sellers would ask for a higher price than they expected to pay. Through bargaining they would arrive at an acceptance price. Setting one price for all buyers is relatively modern idea.

Place: Distribution is concerned with the activities involved in transferring goods from producers to final buyers and users. It includes the physical activities, such as transporting, storing goods and the legal, promotional activities for transferring ownership. The artisans depend mostly upon master craftsmen, dealers and co-operative societies for disposal of their finished products. Some producers sell directly to the consumers, whereas some sell through dealers, master craftsmen and sales emporia. Sometimes, the dealers and master craftsmen sell the handicraft products through sales emporia, which directly contact the galaxy of consumers through its various outlets located at various important towns in India.

Promotion: Corporate houses and multi-national companies may be urged and facilitated to adopt and encourage crafts for the gifts they distribute. An important segment of market that needs to be systematically promoted is for corporate houses with customized logos for giveaways by them for corporate clients. A range of products can be brought out—to be used in offices, at home, and as personal artifacts.

IV. RESULT AND DISCUSSIONS

Export of Handicrafts:

In addition to the high potential for employment for poorer section of the society in rural areas, the sector is economically important from the point of low capital investment, high ratio of value addition, negotiable import content and high potential for export and foreign exchange earnings for the country. If systematic efforts are made, some of the selective products could emerge as a major foreign exchange earner in the near future. However, before exporting of such items care should be taken on product identification, quantum of production, supply arrangements, price, delivery, quality, payment terms etc. India is one of the important suppliers of handicrafts to the world market. Although exports of handicrafts appears to be sizable, India's share in world imports is very small. Despite the existence of production base and a large number of craftsmen India has not been able to encase existing opportunities. The emergence of handicrafts sector as one of the sources of foreign exchange earnings for the country is evident from the data on international trade in handicrafts from India. The export of handicrafts (other than hand knotted carpets) was merely Rs. 387.00 crores during the year of establishment of the Council i.e. 1986-87 rose to level of Rs. 23504.42 crores in year 2013-14 showing an increase of 30.80% over 2012-13.

In the changing world scenario, craft products exported to various countries form a part of lifestyle products in international market. The impact is due to the changing consumer taste and trends. In view of this it is high time that the Indian handicraft industry went into the details of changing designs, patterns, product development, requisite change in production facilities for a variety of materials, production techniques, related expertise to achieve a leadership position in the fast growing competitiveness with other countries.

Marketing Problem in Handicrafts:

Artisans face several problems in marketing. In view of 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. Lack of practical implementation of government policies and schemes to the handicraft exporters can also be one of the reasons for India's low share in the world's craft market. Most of the handicraft exporters are not very much aware of the happenings at the government's end for the promotion of the handicraft industry.

Many schemes/initiatives are being introduced by the government for the promotion of the industry but with poor response from the exporters' side because of lack of awareness among them. The most acute competition observed at the international level with other handicraft exporting nations is in the level of export incentives from their respective governments. Subsidies in the power, transportation, raw materials and duty drawbacks, etc places India's competitors in a better position to deal with buyers. As compared to the level of subsidies and incentives from the governments of other competing countries, the Indian government has not pleased the handicraft exporters as much as compared to its competing international exporters by its incentives and subsidies on handicraft exports.

Domestic Problems Impeding Exports:

India is one of the important suppliers of handicrafts to the world market. Although, exports of handicrafts appear to be sizable, India's share in world imports is very small. Despite the existence of production base and a large number of craftsmen, India has not been able to encase the existing opportunities. It is generally stated that this is mainly because of the following reasons:

- The major craft concentration areas have problems of infrastructure. The delivery schedules cannot be maintained due to transport bottlenecks, power shortage, and lack of proper port facilities.
- The production and supply have continued to be inadequate due to non-availability of raw material for some of the important crafts.
- The quality and finish are not up to the mark due to non-availability of seasoning plants for wood and treatment of material plants for various crafts.
- Product development is not fully conceived.
- The prospects for increasing handicrafts exports from India are bright provided the problems as being given under each category of crafts are acted upon immediately.

The Governmental Intervention:

Although India adapted to liberalization policies in early nineties, the handicrafts sector continued to get state intervention. Handicrafts being a state subject defined in our constitution, the development and promotion of crafts are the responsibility of the respective state governments. The Central government through various developmental schemes plays the role by supplementing their efforts.

Baba Saheb Ambedkar Hastshilp Vikas Yojana: the basic objective of this scheme is for a sustainable development of handicrafts through the participation of craftsperson. This scheme is implemented through: (i) social intervention, i.e. Mobilizing the artists, (ii) technological intervention; assisting for design and technological up gradation, reviving the languishing crafts etc., (iii) marketing interventions and (iv) financial interventions.

Marketing Support and Service Scheme: This scheme is developed to create awareness of Indian craft products among the people through: (i) organizing marketing events, (ii) providing services in the form of entrepreneurship and (iii) providing financial assistance to state handicrafts corporations and NGOs for opening new emporia, etc.

Design and Technology Up gradation Scheme: The scheme aims to supply modern tools, upgrade artisans' skills, preserve traditional crafts and revive rare crafts through (i) departmental activities (by giving training in Regional Design and Technical Development Centres etc.) and (ii) outsourcing (to Shilp Gurus or Heritage Masters, of design and technology up gradation).

Export Promotion Scheme: It intends to promote export of handicrafts, including hand knotted carpets and floor covering from India. The main components of this scheme are (i) product Development, (ii) publicity and marketing and (iii) social and other welfare measures.

Research and Development Scheme: The basic objective of this scheme is to create a regular system of obtaining feedback on economic, social, aesthetic and promotional aspects of various craft goods. It also addresses issues related to WTO. Survey or study of specific crafts on which adequate information is not available, looking at the working conditions of the artisans etc are the major thrust areas under this scheme.

Training and Extension Scheme: The scheme aims at enhancing the capacity building of staff of Development Commissioner (Handicrafts), artisans, NGOs etc.

Bima Yojana for Handicrafts Artisans: The Yojana implemented in association with the Life Insurance Corporation of India Limited provides life insurance protection to artisans, either male or female in the age group of 18-60 years.

Special Handicrafts Training Projects: Under this programme, the office of the Development Commissioner (Handicrafts) takes initiatives to upgrade the skills of existing as well as new craft persons, enhance employment opportunities in the handicrafts sector, transfer skills of experts / master artisans to new trainees. Apart from the above schemes, the government is also taking special measures for promotion and development of crafts by popularizing the products and encouraging the artists. In terms of variety of handicrafts and celebrated craft products, India is one of the richest countries. The most important contribution to its craft heritage has been of the Shilp Gurus, the Heritage Masters, who have innovated, and contributed on their own to the traditional craft forms. They are in fact leading lights of handicraft sector and are sources of inspiration for the younger generations.

The states assist those crafts and artisans who have viable market and high export potential. The languishing crafts in turn suffer a lot. In spite of several developmental schemes that exist for them, the craft persons are unable to reap the benefit as they lack the assets and strong institutions favouring their cause. So, the state governments should follow the Central government directives, utilize its funds, grants and loans and work for the development of craft goods taking sincere efforts. The biggest problem while implementing the developmental schemes is the lack of proper knowledge on handicraft units and number of artisans.

V. CONCLUSION

Craft is the standard mark of creativity and the essential differentiator for a country in the sweeping wines of globalization. Most importantly, craft has to become a fountainhead for both industrial design and communication design, for deriving the differential advantage of Indian design in the global market place. The handicrafts sector plays a significant and important role in the country's economy. It provides employment to a vast segment of craft persons in rural and semi urban areas and generates substantial foreign exchange for the country. Handicraft is such a product that when a buyer likes it, he is prepared to pay a price, which may be far in excess of the standard price of the product. The prime consideration is his liking of the product. Channel agents, such as middlemen, retailer or distributor try to capitalize on such possibilities and earn significant profit almost wholly at the cost of the craftsmen. Handicraft product may be categorized on the basis of price, export on domestic market, ease of maintenance, ease of storage, utility value or decorative value and modernity or traditional orientation.

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