



Marketing Mix Strategies of Handicrafts of Assam: A Study on Problems and Prospects

Rimlee Kalita

Assistant Professor, Department of Commerce

Narangi Anchalik Mahavidyalaya, Guwahati-781171

ABSTRACT: Handicrafts sector can play a major role in the development of the economy of both developed and the developing countries. It provides employment to a vast segment of crafts person in rural and semi-urban areas and generates substantial foreign exchange for the country while preserving its cultural heritage. But handicrafts have not received as much attention as they deserve. The performance of the existing institutional infrastructure both for financing and marketing of handicrafts is far from satisfaction. Artisans are depending on the middlemen for raw materials, finance and market for the finished products because of their illiteracy, ignorance and poverty. The success of handicrafts depends on how well the artisans can produce the articles in keeping with the tastes and preferences of consumers.

Like other parts in India, Assam is also known as the land of colourful handicraft products. Handicrafts have been playing a vital role in the cultural, social and economic development of Assam. But there are lack of proper marketing facilities which stands as bottlenecks in expansion and modernization of handicrafts products of Assam. In this paper, an attempt has been made to find out the marketing mix strategies of Assam Handicrafts based on four P's i.e. Product, Price, Place and Promotion. The paper also enumerated the various problems being faced by the artisans while marketing their products along with some suggestive measures.

Keywords: Assam, Handicrafts, Marketing Mix, Problems, Prospects.

I. Introduction:

Handicrafts are unique expressions and represent a culture, tradition and heritage of a country[1]. Handicrafts are part of a much larger home accessory market, which includes handcrafted, semi handcrafted, and machine-made goods [2]. The home accessory market is strongly influenced by fashion trends, consumer purchasing patterns, and economic conditions in end markets. In many cases, artisans are out of touch with those end markets, which presents a challenge to those seeking to export their products. India is one of the important suppliers of handicrafts to the world market. Presently Handicrafts contributes substantially to employment generation, support GDP and exports. According to UNESCO, Handicrafts represent 20% of rural activities of developing countries, contributing to at least 3% of their GDP [3]. The response of consumers to



handicrafts is unpredictable. With increased globalization, however, products are becoming more and more commoditized, with artisan producers facing increased competition from producers all over the world, particularly in China and other Asian countries.

Handicrafts play a very important role in moulding the rural economy of Assam. In Assam, 80% of its population live in villages and depend mainly on agriculture. In agriculture people cannot get employment throughout the year. Percentage of landless laborer and marginal and marginal farmers are very high in the state. If handicrafts can be developed, self employment potential can be rise to a higher level. Hence, in the rural sector, development of handicrafts can be major step in solving the problems of unemployment and under employment.

Defining Handicrafts :

Handicrafts can be defined as products which are produced either completely by hand or with the help of tools. Handicrafts are made from raw materials and can be produced in unlimited numbers. Such products can be utilitarian, aesthetic, artistic creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant. According to Govt. of India, Handicraft is made by hand, should have some artistic value, they may or may not have functional utility [4]. Prajapati and Laila[5] explaining that the diversity marketing in craft industry, recommend regular market survey to compile market information to design workable solutions to solve market problems. Thaimani [6] study focused on the lack of market awareness is the main obstacle for any village enterprises to put up their products in urban markets. Dak[7] has been listed out reasons for the failure of village crafts such as poor designs, low quality materials and inefficient market approaches; consequently, these weaknesses are exploited by machine made urban craft units, who apparently lockout village crafts from global markets. Florence[8]review suggest strategic measures to improve markets for village crafts, often supply of scattered, insufficient and unsystematic data on production and sales; will be the major obstacles for them to develop quantitative marketing strategies. Resource centre–RCIP5 reveals that the euro crises can affect the profit margins and hence will difficult to remain in the market. The players in the leather industry are small & cottage leather manufacturers and do not have the financial potential to use hedging techniques.



Importance of Handicrafts:

Cultural importance: Handicrafts play very important role in representing the culture and traditions of any country or region. Handicrafts are substantial medium to preserve of rich traditional art, heritage and culture, traditional skills and talents which are associated with people's lifestyle and history.

Economic Importance: Handicrafts are hugely important in terms of economic development. They provide ample opportunities for employment even with low capital investments and become a prominent medium for foreign earnings.

Classification of Handicrafts:

India is rich in handicrafts. There are about 3500 handicraft items produced in the country and the sector employs 60 lakh artisans who work independently or in small co-operatives or firms. Similarly Government of Assam has identified and approved more than 10 categories of handicrafts which are listed below[4]-

- Handloom
- Jewellery
- Bamboo and Cane products
- Brass and Bell metal crafts
- Pottery
- Woodcraft
- Masks
- Terracotta
- Traditional Paintings
- Toys

II. Objectives of the Study:

The main objectives includes –

1. To study the four P's of marketing mix strategies in relation to Assam Handicrafts;
2. To find the various problems being faced by the artisans while marketing their products;
3. To make various suggestions in order to improve the marketing techniques.



III. Study Area:

The study area of the present research is Assam which is situated in the North Eastern Region of India, surrounded by 7 states viz, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura & West Bengal and two other countries viz. Bangladesh & Bhutan with a geographical area of 78438 sq. km. According to 2011 Census, Assam has a total population of 3,11,69,272 of which 1,59,54,927 are males and 1,52,14,345 are females and a density of 397 person per sq. km. The state economy is mainly depending upon agriculture and contributes 15% of the world's entire tea production. Assam is a confluence of a number of tribes and cultures and this is reflected in the traditional handicrafts of the place. There is a sense of simplicity and style in the skills of the Assamese Craftsman and this is what makes their products unique and charming.

IV. Methodology:

The present study is based on secondary data and is descriptive in nature. Secondary data has been taken from various documents such as books, newsletters, reports, magazines, journals, newspaper, internet, as well as from existing literature to understand the marketing strategies in handicraft business.

V. Result and Discussion:

1. MARKETING MIX AND MARKETING STRATEGIES :

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-proprietorship 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 members of his family. Usually, he has little knowledge and market information relating to his products. The important marketing aspects are discussed under the heads of product, price, place and promotion[9], [10].

I) Product: A product is a set of tangible and intangible attributes, including packaging, colour, price, manufacturer's prestige, retailer's prestige, and



manufacturer's and retailer's services, which the buyer may accept as offering want-satisfaction.

a) Adding Product Line: Firms which market only one product are rare today. Most firms offer a product line. A product line is a group of products related in function or customer purchase needs. The benefits of changing the composition of the product line, by either adding or subtracting products, depend on a number of factors such as the preferences of consumers, the tactics of competitors, the firm's cost structure, and from the product to another name but a few. The handicraft units produce a number of products applying the concept of product line. The size of product line depends on the demand for products and availability of resources like finance and raw material. In the process of assessing the demand for the products and resources availability, the artisans from time to time add new products to its existing product line or drop some of its present products.

b) Deleting Product Line: The products which are not profitable are usually deleted from the product line. The decision whether to discontinue a product is often based on how fast it moves. Deletion of some of the products from product line may also be a practice in handicrafts.

c) Handicrafts Design: The Design of a product should be in accordance with the tastes and preferences of customers. There are three types of designs viz., conventional, modern, conventional and modern which are usually adopted by craftsmen. Conventional designs are age-old and traditional designs. While modern designs are in keeping with the changes of consumer preferences and tastes. Conventional and modern is a combination of both types.

d) Product Planning & Product Development: Product planning embraces all activities that enable a company to determine what products it will market. Product development encompasses the technical activities of product research, engineering and design. More specifically, the combined scope of product planning and product development includes making decisions in such areas as the number of products to market, new uses for each product, brand, package, label to be used for each product, quantity of the products etc. Product planning and development can be found even in handicrafts. Handicrafts are the products of



creativity and workmanship. Artisans, usually, strive for excellence in their crafts by undertaking product planning and development.

e) Expansion in Handicrafts: Expansion is increasing the present scale of operation either by mechanizing the process of production or by enhancing the installed capacity. Expansion is undertaken when there is more demand for the products. It can also be undertaken in anticipation of future demand. However, expansion involves finance, without adequate finance, expansion activity cannot be taken. The expansion of the unit can be done in various ways; that is by mechanization, enhancing the installed capacity and increasing manpower.

II. 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.

a) Fixing of Price: The craftsmen are unable to estimate the exact cost, of production due to several reasons. Hence, they find it difficult to fix the price basing on cost of production. The craftsmen have said that they fix prices of articles basing on its market acceptance and basing on the price offered by master craftsmen, dealers and co-operative societies. Prices of handicraft articles are fixed by craftsman himself, master craftsman, dealer and co-operative societies, the extent of influence of these people in fixing the prices differ from craft to craft. Dealers and co-operative societies as viewed by a majority of the respondents influence a great deal in fixing the prices of handicrafts.

b) Sales Tax: Sales tax is not only high on handicrafts but also varied from craft to craft. It is suggested that the State Government may exempt handicrafts from sales tax, as it is already done in States like Bihar, Madhya Pradesh and Kerala. The absence of sales tax on handicrafts will result in reduction of Handicrafts prices and thereby increase the sales.

III) PLACE (DISTRIBUTION): 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 and promotional activities performed in the course of 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. There are certain limitations in the present channels of distribution of handicrafts. Co-operative societies are not serving' as a channels or distribution. Handicrafts producers are depending on the dealers and master craftsmen for selling handicrafts to consumers. Sales emporia are purchasing handicrafts from dealers and master craftsmen; but not from handicrafts manufacturers.

The First channel, handicrafts producers may sell their articles directly to their customers. Second channel, handicraft producers may sell to private dealers, who in turn, sell to galaxy of customers. The third channel, handicraft producers may sell to All India Handicraft Development Corporation, which in turn, sells to customers through its sales emporia. The fourth channel, handicraft producers may sell to All India Handicrafts Development Corporation, which in turn, may sell to State owned emporia which may ultimately sell to customers. The fifth channel, handicrafts producers may sell their articles to co-operative society which, in turn, may sell to All India Handicrafts Development Corporation which may sell to State owned emporia which, in turn, may sell to customers. The sixth channel, handicraft producers may sell to co-operative society which, in turn, may sell to State owned emporia which may sell to consumers. The seventh channel, handicrafts producers may sell to co-operative society which, in turn, may sell to customers.

IV) PROMOTION: Basically, it is communication information between buyer and seller to change attitudes and behavior of consumers. Promotion-mix includes advertising, sales promotion, personal selling, publicity and packaging.

a) Advertising: Advertising is not undertaken by respondent. The small scale operation of the artisans does not permit the craftsmen to undertake advertising of



their products individually. For the promotion of handicrafts, the Corporation has been undertaking publicity, exhibitions, printing of brochures, and participation in trade fairs. The Corporation is also putting up hoardings in important places and centers to tourist interest, which would serve as a good medium of publicity. Other forms of publicity include participation in trade fairs, and sponsoring trade / study teams covering particular crafts to other States in the country.

b) Sales Promotion: Sales promotion covers a wide range of techniques that provide an extra short-term incentive or inducement to patronize a store or buy a product. Techniques include demonstrations and exhibitions, samples, premiums, coupons, games and contests, displays and package inserts. In general, sales promotion is designed to reinforce the other factors of the promotion mix and to improve their short-term effectiveness.

2. PROBLEMS IN MARKETING OF HANDICRAFTS PRODUCTS :

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. Thus, Government of Assam is required to play a vital role in solving the marketing problems faced by artisans

The problems faced while marketing of handicrafts products because of current conventional system's drawbacks. **Following are the few constraints faced by artisans as result of changing market environment[11].**

- **Lack of availability of market information:** For the proper marketing of handicrafts products there is inadequate information of current market trends. This creates hindrances at the market end resulting in unsatisfied customers. The artisans and craftsmen are unaware of the market demand and new designs & colours because of the lack of customer feedback. This hampers their creativity and innovation.
- **Lack of awareness amongst customers about the product features:** Indian Handicrafts items have a healthy demand in the global market. But the



artisans do not have awareness about new traditions, new technologies, international requirements and current markets trends. Hence, they are not able to commercialize their skills in the right way. Therefore, awareness has to be generated in the customers mind regarding the variety and designs of the handicraft products.

- **Insufficient Promotion and Advertisement:** Handicraft sector is far lagging behind in promotion and advertising of its product as compared to the textile sector. Generally, the promotion is only through exhibitions and fairs with limited outlets. Hence the customer purchases only when available and switches to the other competing product when it is unavailable. Therefore, this sector needs a continuous promotion and regular advertising campaign to have a durable and effective impact of the handicraft products on the customer.
- **Lack of Standardized Quality:** The handicraft product is usually made of hand and is famous for its unique designs and art. But the quality and standardization of the product is not regularly mentioned. Hence a procedure is needed for checking the quality standards of the products like durability, quality etc., So that the customer is assured about this. Also the government should take initiative and conduct research on the related issues.
- **Improper Logistics Management:** Handicraft logistics should be done in a scientific way. There should be precise calculation of stock keeping and cost incurred in maintaining a huge stock. There should not be any blockaded of money and subsequently the interest burden. Generally inefficiency occurs in case of finished products supply. Due to lack of improper marketing, the huge stock is blocked with marketers. Some of the co-operatives end up in loss because of mismanagement. This can be minimized by introducing bar-coding, logistic tracking and fast information flow. This results in reducing greatly the cost of the end product.
- **Increasing Tough Competition:** Handicraft sector is facing a tough competition from various players in the market. The competition is intensive in both inter sector (from mechanized products etc.) and intra sector (from foreign countries like china, Bangladesh etc.). This increasing competition is the biggest challenge for the handloom sector.



3. SUGGESTIONS: Way Ahead

In order to improve the marketing techniques of Handicrafts, following suggestions are [2]:

- **Organized market network of Handicraft:** Absence of systematic marketing network has been a discouraging factor in this region. In my opinion, the artisans must be organized by themselves under the co-operative umbrella for marketing their products by themselves. For this more and more linkages must be developed with outside parties.
- **Copyrighted Designs:** Design Registration should be made. That means whatever designs any artisan has introduced on any item should be registered. Then no can copy it.
- **A Proper Directory of Assam Handicrafts:** Govt. should bring a Directory of Assam crafts with related c and place under different tourists offices, airports and luxury hotels. Then the foreign buyers can get more detail about our products and enable them to purchase the goods directly from the artisans.
- **Uniformity of Price:** It is often complained that prices of handicraft products are very much uneven and not uniform. There is significant difference in prices of the same article if purchase from two shops or from two places. In this situation the customer feels very much exploited and harassed. This might have very bad repercussion on the demand of the products. Categorization of art in each craft should be done according to the skill exhibited and quality of raw materials used and pricing should be made accordingly by a team of experts.
- **Creation of Awareness:** The majority of artisans are not aware about various new schemes like loan at concessional rates, free tools, dyes and chemical, work shed-cum-housing facilities. It is the duty of the promotional organizations to make the artisans aware about the various welfare schemes and to implement the same on war footing.
- **More Research and Development in Handicraft:** For improving the quality of the products, R and D is a must. Many more new items and new designs can be developed with the help of R and D.



- **Foreign Collaboration with designers and artisans:** Foreign master designers may be invited to the design centers to render guidance to the craftsmen.
- **Value addition in Handicraft:** The various specialized organization may help the local units to produce various value added items which would not only help to penetrate the local market, but also help in exporting of such items to foreign countries.
- **Publicity and Advertising:** To attract more and more buyers both within and outside the country, promotional and marketing organizations must give due emphasis on wide publicity of various local products. For this **frequent buyers and sellers meets** may be organized by promotional organizations.
- **Scope for Exports of Handicraft:** 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, terms of payment etc.
- **Window display of Handicraft products:** In whatever possible manner, all the promotional and marketing organization, must display the local items in various airports, railway stations, bus stands, commercial centers etc. This will help the local artisans to get more orders from foreign tourists, traders, marketing organization etc.
- **Strategic Positioning of handicraft Products:** Handicrafts, which are produced with traditional skill, are gradually facing competition from machine made products, which give much greater uniformity and better finish. For large number of handicraft items, there have been neither substitutes nor competition from any significant entrant into the field. Thus, suppliers, new entrants and substitute products do not appear to be significant factors in the strategic positioning of Handicrafts. By the process of isolation we come to the buyers and buyer groups. This also includes the middlemen and distribution channels.

VI. Conclusion:

The Handicraft sector plays a pivotal role in the economy of Assam. It provides employment to craft persons in rural and semi-urban areas and



generates income while preserving its cultural heritage. The Assam Handicrafts sector has suffered due to poor infrastructure, communication facilities, low capital and age-old technologies etc. However, Handicraft has great growth potential in the changing scenario with its basic strength being the abundant and cheap availability of manpower. Assam's Handicrafts has potential to produce a variety of products, employment generation and marketing. But there is a need to introduce new technologies and design, advertisement of products, logistic management and awareness about the product features. This, it is concluded that the handicrafts of Assam has good opportunities to grow as well can create competitive market structure.

References:

- [1] [http://www.indiatourismecatalog.com/india_tribal_rural/tribal_rural_handicrafts.html]
- [2] Khan, Waqar Ahmed and Amir. Zeeshan,(2013): “ Study of Handicraft Marketing Strategies of Artisans in Uttar Pradesh and Its Implications”, Research Journal of Management Sciences, Vol. 2(2), 23-26, Feb issue.
- [3] Sharma. Bikash & SezhiyanT.(2014): "Marketing of Handicrafts in Sikkim", EPRA International Journal of Economic and Business Review, Vol.2 Issue-10, Oct.
- [4] www.india-crafts.com
- [5] Prajapati and Laila, (1981): Development of Handloom Industry, Deep& Deep, New Delhi .
- [6] Thaimani, K. K., (1987): Handicrafts during seventh five year plan.,paper presented in National Seminar on development andmanagement of Handicrafts cooperative 24-26th November,VAMNICOM .
- [7] Dak,T.M., (1989): Rural Industrialisation: Challenges and Responses, North Book, Delhi, pp-23-24
- [8] Florence, K., (2005): Uganda Handicrafts Export Strategy, ITC Report,WTO
- [9] Kotler,P., (2003):Marketing Management, Thomson Press (India) Ltd, New Delhi
- [10] Nah, A. (2002): Marketing Strategy, Macmillan India Ltd.
- [11] Dash, M.(2011), “ Marketing of Orissa Handicraft: A Study on Challenges and Opportunities”, International Journal of Multidisciplinary Management Studies, Vol. 1, Issue 2, Nov.