CHAPTER IX

SUMMARY AND SUGGESTIONS
A) HANDICRAFTS AN OVERVIEW:

Handicrafts are basic activity of human society and hence form an integral part of human life. They reflect the cultural heritage of a country. Handicrafts are existing in both developed and developing countries. Handicrafts can be found in such developed countries as United States of America, United Kingdom and Japan. Handicrafts are flourishing even in developing countries such as Afghanistan, Nepal, Sri Lanka, Greek, Thailand, United Arab Republic etc.

1) Handicrafts in India:

Handicrafts have a direct impact on the religion, culture and life styles of the people in India. Handicrafts in India are as old as human civilization. 'The Ramayana,' one of the oldest and sacred books of Hindu religion, specifically names eighteen traditional craft associations. Ajanta and Ellora caves, the temples of Konark, Khajuraho even today resound the rich past handicraft heritage. Handicrafts are seen in almost all the States and Union Territories of India. But, the number of crafts in each State are different. It provides employment to a number of people. The highest number of crafts i.e., 21 are found both in Andhra Pradesh and Jammu and Kashmir.
India's handicrafts are being developed through Five Year Plans. Though the expenditure on handicrafts has increased considerably, its percentage to total plan outlay is insignificant. Rapid industrialisation has brought about the downfall of handicraft industry in India. Craftsmen have been thrown into most abject conditions as the handicraft articles have faced stiff competition from machine-made goods. Since the middle of the 19th century, signs of decay of handicrafts were very much felt.

ii) **Genesis of All India Handicrafts Board**

In the wake of independence and particularly, after Five Year Plans, the economic and policy makers have given a serious thought for the revival, development and promotion of handicrafts. To enquire into the problems confronting the development of handicrafts, to advise the Government on problems of handicrafts and to suggest measures for their improvement and development, the All India Handicrafts Board has been setup in 1952. The board is also required to study technical, production, financial, and organisational aspects of the crafts and prepare plans for their development and assist State Governments in preparing and executing developmental schemes.
iii) Exports of Handicrafts from India:

Indian handicrafts are very popular in the foreign markets. Handicrafts industry in India, besides, helping to solve both social and economic problems of the village craftsmen and the weaker sections of the society has come to play an important role in earning valuable foreign exchange for the country. Handicrafts are exported to more than 100 countries in the world. The major countries to which handicrafts are exported include Belgium, France, West Germany, Italy, Netherlands, Denmark, Sweden, Switzerland, United Kingdom, Australia, Hong Kong, Japan, Malaysia, Singapore, Kuwait, Lebanon, Saudi Arabia, United States of America and Canada. Though handicrafts exports in India have increased from ₹3.14 crores in 1979-80 to ₹10.37 crores in 1990-91, the percentage of handicrafts exports in total Indian exports has constituted barely five per cent. The handicrafts exported from India include woollen pile carpets, art metalware, woodware, hand printed textiles, embroidered goods, shawls as artware, zari and zari goods, imitation jewellery, ivory products, floor coverings etc.

iv) Handicrafts in Andhra Pradesh:

Since time immemorial, Andhra Pradesh is widely known for its marvelous handicrafts. It is the fore-fathers
of the craftsmen of Andhra Pradesh who were responsible for the sculpture and frescoes of Amaravati, Ellora and Ajanta which have become a treasure of design and have been a source of inspiration for many craftsmen even to this day.

Handicrafts in the State can be broadly divided into four categories basing on the raw material used for production, viz., 1) Metalware, 2) Woodware, 3) Textiles and 4) Miscellaneous. The crafts which come under metalware category are imitation jewellery, sheetmetal, miniature bronze icons, bidriware, silver filigree. The crafts in the woodware category are lacquerware toys, wood carvings, painted wooden/Kondapalli toys, Nirmal paintings, painted wooden Nirmal toys, wooden cutlery. The textile crafts include crochet lace, woollen pile carpets, cotton durries, kalamkari prints, tie and dye weaving, hand printed textiles, zari and zardoze. The crafts which do not come under the above categories are placed under miscellaneous category which includes stone-studded bangles, tunga mats and stone carvings.

v) Exports of Handicrafts from Andhra Pradesh:

Though there are 21 major handicrafts in the State, only 12-15 crafts are earning foreign exchange through exports. Handmade crochet lace goods, woollen
pile carpets, imitation jewellery, woodware, handmade artistic cotton bags are among those handicrafts exported from the State. Though the handicrafts exports from the State have increased from Rs.306.90 lakhs in 1983-84 to Rs.426.88 lakhs in 1989-90; the percentage in total exports from Andhra Pradesh is insignificant and has declined from 0.81 per cent in 1983-84 to 0.71 per cent in 1989-90.

The handicrafts exports are facing several problems. High degree of variability of procurement pricing is one of them. The export rates of handicrafts are almost constant for a long period of time. But, the prices of raw materials used in handicrafts are increasing considerably from time to time; particularly in the case of metalware. This is due to frequent increase in material costs. The Andhra Pradesh Handicrafts Development Corporation is unable to cope with the problems of procurement of raw materials.

Hence, it is suggested that the Corporation may procure the raw materials in large quantities sufficient atleast for one year. This will ensure uniform raw material cost during the year. This will help the Corporation to some extent to standardise the cost of production and thereby ultimate product export pricing. The Government should support the Corporation in purchasing large quantities of raw materials by providing enough finance.
Another specific problem of handicrafts exports is publicity and promotion. Now-a-days without publicity and promotion efforts, marketing of any product is difficult. It is more so in the case of handicrafts.

Since it is difficult for the artisans to give publicity for their products, the Andhra Pradesh Handicrafts Development Corporation should take up that responsibility and give publicity in various foreign newspapers and magazines. It should also intensify the promotion of handicrafts in tourist places of the country and abroad. It is further suggested that the Corporation may open export show windows to the foreign buyers in the emporia existing in New Delhi, Hyderabad, Calcutta, Bangalore and Madras.

vi) Andhra Pradesh Handicrafts Development Corporation:

The State Government has established Andhra Pradesh Handicrafts Development Corporation for the development of handicrafts in the State in 1981. Ever since its establishment, the Corporation has been helping the craftsmen by providing necessary working capital, and design assistance. In course of time the Corporation has setup some common facility centres, providing scarce raw materials and tools and equipment at subsidised prices. The Corporation has also been extending training to
several artisans every year under different schemes, besides, sending artisans on study tours to various craft centres located outside the State to emulate their designs and also to improve their skills in the making of handicrafts. The Corporation has, so far, established 17 emporia. The sales of Lepakshi emporia have increased from ₹76.29 lakhs in 1981-82 to ₹730 lakhs in 1991-92. The Corporation has been incurring losses ever since its inception excepting in the years 1985-86, 1986-87 and 1987-88. However, the accumulated loss of the Corporation in 1989-90 is ₹28.16 lakhs. The establishment and administrative charges of the Corporation are increasing year after year, which is nullifying the revenue from the sales.

Hence, it is suggested that as far as possible establishment and administrative charges of the Corporation may be drastically reduced.

vii) Welfare Schemes:

The Corporation has started certain schemes for the welfare of the artisans and for the development of handicrafts in the State. The Corporation has spent ₹34 lakhs during 1990-91 on training, procurement centres, publicity etc. The Corporation is providing training in such handicrafts as Nirmal toys, thunga mat weaving, Nirmal paintings and Kondapalli toys. The Corporation is
paying a stipend of Rs. 100 per month for each trainee in the crafts like Nirmal toys and thunga mat weaving. The Corporation is paying Rs. 125 for the trainees in Nirmal paintings, and Rs. 200 for the trainees in Kondapalli toys.

It is observed that the training programmes have been extended only to a fewer crafts and the training programmes are not permanent in nature. Hence, it is suggested that the government through Andhra Pradesh Handicrafts Development Corporation should extend training programmes on permanent basis for all handicrafts in the State as each craft is important in its own right. It is also observed that the stipend paid to the trainees is not only meagre but also varied craft to craft. Therefore, it is suggested that the Corporation should pay not only uniform stipend for the trainees in all the crafts, but also increase the stipend amount to Rs. 300 per month for each trainee.

The Corporation is providing common facility centres, residence-cum-worksheds, group insurance and old age pension and study tours to the artisans. The Corporation has also helped the artisans in establishing industrial co-operative societies. Unfortunately, the co-operative societies are not functioning satisfactorily
It is suggested that the government may take steps to revive the societies which have been closed by providing necessary finance to the members of the societies.

The government have established 47 Handicrafts Marketing and Service Extension Centres all over India. Two such centres have been established in the State for the promotion and development of handicrafts.

B) THE STUDY:

To know the present state of affairs in detail, under the prevailing conditions, relating to various handicrafts in Andhra Pradesh, there is an imperative need to undertake a comprehensive study. There is an immense market for Indian handicrafts abroad. With all abundant skills, classic craftsmanship and export potential, buoyant tourism and increased pilgrimage and future rise in demand for new houses contributing to greater awareness for interior decoration of houses, there is a tremendous market potential for handicrafts, but due to various reasons the Indian handicrafts industry is not able to take advantage from these bountiful opportunities. For these, there are number
of limiting factors like imbalance in production and supply, lack of assured quality and fine finish, defective pricing, lack of innovation and product development, apathy and indifference to cope with consumer tastes and preferences. For all the above, an integrated managerial approach is desired in organisational, production, financial and marketing practices. Hence, in an unorganised industry like handicrafts the socio-economic conditions of artisans, organisational and production aspects, existing marketing practices and the consumers' attitude towards handicrafts play a vital role for its development. Though handicrafts is a cottage industry, it provides considerable employment both skilled and unskilled. It has high potential to earn much needed foreign exchange. The general practice in this industry is to sell whatever is produced indifference to the consumer needs and tastes. In a nutshell, the industry is adopting production oriented selling rather than marketing concept. There has been no marketing research worth mentioning. Production is based on rule of thumb; quality and durability of handicrafts are not assured. The marketing practices adopted by the artisans are unscientific and are age old. Illiteracy and socio-economic conditions of artisans are to some extent responsible for this. It has been observed in the review of literature
that the studies made so far paid attention mainly to the socio-economic conditions, performance of co-operative societies and their role in helping handicrafts for its development. Consequently, organisational, financial and production aspects, the consumer behaviour and the marketing practices in handicrafts have not received much attention. In view of this backdrop, it is felt that there is greater need for a comprehensive and objective study on handicrafts covering all aspects particularly marketing aspects which are neglected so far. An attempt is, therefore, made in the present study to fill the research gap to some extent. The present study is thus significant and is expected to be useful not only to the craftsmen and government but also to the public at large.

The present study has been carried out with the following objectives.

1. To study the socio-economic aspects of the craftsmen.
2. To enquire into aspects of organisation and human resource management of handicraft units.
3. To study the financial and production aspects of handicraft units.
4. To examine the existing marketing practices in handicraft units, and
5. to analyse the consumer behaviour towards handicrafts.

It is expected that the study will bring to light the socio-economic conditions of craftsmen, their problems relating to human resource, finance, production. It will further identify marketing problems of artisans and formulate appropriate strategies and policies for improving marketing practices basing on consumer behaviour.

ii) Methodology:

The data and information have been drawn from both primary and secondary sources. The study covers all important aspects of the handicrafts industry in Andhra Pradesh. Evident from the objectives, the focus of the study is mainly on i) marketing practices of handicraft units, ii) consumer behaviour towards handicrafts, which includes such aspects as consumer preferences and tastes, the need for changing handicrafts designs to suit the consumer preferences and the need for market research etc.

For the purpose of studying about individual/household units, a comprehensive schedule has been prepared covering such aspects as craftsmen's working conditions, sources of finance, source of raw materials, cost of production and the existing marketing practices, like product designs, pricing distribution channels, customer-mix,
terms of sales and promotional efforts etc., and to know consumer's behaviour towards handicrafts, a schedule has been prepared. Besides, personal interviews has also been made with officials connected with the development of handicrafts.

For the collection of primary data, both the schedules have been tested in advance by interviewing, the craftsmen and the customers of handicrafts sales emporia. The interview timings are fixed to suit the convenience of the respondents and interviews have been held at work places. Each interview with the respondents has lasted for about 60 to 75 minutes. Interviews with the customers have been held at the handicrafts sales emporia in seven major cities of the State. Secondary data have been collected from the records of the Office of the Development Commissioner for Handicrafts, Ministry of Textiles, All India Handicrafts Board, Marketing and Service Extension Centres, Warangal and Tirupati, Andhra Pradesh. Andhra Pradesh Handicrafts Development Corporation, Hyderabad, Deputy Director, Office of the Development Commissioner for Handicrafts, Southern Region, All India Handicrafts Board, Madras; and Office of the Commissioner for Commerce and Exports Promotion, Government of Andhra Pradesh, Hyderabad.
iii) Sample Design:

Handicrafts industry has been spread throughout the three regions of Andhra Pradesh viz., Andhra, Telangana, and Rayalaseema. The handicrafts can be divided into three categories on the basis of raw material used. They are i) metalware (5 crafts), ii) woodware (6 crafts), iii) textiles (7 crafts). These crafts which do not come under aforementioned three categories are placed under iv) miscellaneous category (3 crafts). Out of 21 major crafts in the State, 10 crafts have been selected for the study. The highest provision of employment by each craft is taken as the criterion for the selection of crafts for the purpose of study. Three crafts from each categories of metalware, woodware and textiles amounts to nine crafts. From miscellaneous category, the craft providing the highest employment is taken as the tenth craft. Though, crochet lace under textiles category, providing the highest employment i.e., to 40 thousand artisans, has been left out of study as the entire product is not completed by a single artisan. The crochet lace passes several hands before it is completed. As it is difficult to fix and locate the artisans completing the final product, it is not selected for the study. Moreover, mostly women are undertaking this craft as a spare time vocation.
The sample of consumers has been taken from various places where Lepakshi sales emporia are situated. The existing Lepakshi sales emporia in different places of Andhra Pradesh can be categorised as under:

I. **Municipal Corporations** (Cities):
   i) Vijayawada
   ii) Visakhapatnam
   iii) Hyderabad

II. **Temple Towns**:
   iv) Tirupati
   v) Tirumala
   vi) Puttaparthi

III. **Historical Places**:
   vii) Warangal
   viii) Nagarjunasagar

IV.
   ix) Rajahmundry
   x) Kurnool
   xi) Nizamabad
   xii) Anantapur
   xiii) Guntur.

From the category of Municipal Corporations, out of 3 cities, two cities viz., Hyderabad and Vijayawada are chosen for the study. From the temple towns category, Tirumala and Puttaparthi are chosen for the study. From
Historical Places category Warnagal is chosen. From Miscellaneous category, Rajahmundry and Anantapur are chosen for the study of consumers behaviour.

A sample of 300 consumers has been taken on quota sample basis. The sample in different places mentioned above is decided basing on the floating and standard population of the cities/towns.

iv) **Presentation of the Study:**

This study is presented in nine chapters. Chapter I gives an overview of handicrafts in world countries, India and Andhra Pradesh. Chapter II presents the significance of the study, review of literature, objectives, methodology and sampling. Chapter III deals with the socio-economic background of artisans. The organisational, human resource aspects of handicrafts are embodied in Chapter IV. While Chapter V outlines the financial aspects. Production aspects are given in Chapter VI. Chapter VII examines the existing marketing practices in handicrafts units. Chapter VIII analyses the behaviour of consumers towards handicrafts. Chapter IX presents the summary and suggestions.
c) SOCIO-ECONOMIC PROFILE OF ARTISANS:

Since artisans play a significant role in handicrafts, it would be fruitful to examine and understand the socio-economic background of artisans. Therefore, the socio-economic profile of artisans is presented under two heads viz., i) personal and social profile and ii) economic profile.

i) Personal and Social Profile:

Out of 280 sample respondents, about 50 per cent are in the age group of 41 to 50 years. The average age of respondents is worked out to be 41 years. A study into religious composition has revealed the domination of Hindus. Caste-wise, 42.14 per cent belong to Viswabrahmin caste. About one-fourths of respondents belong to Padmasali caste.

In respect of education, 51.79 per cent of the sample respondents are illiterates. 34.28 per cent have educated from primary to SSC. Over three-fourths of the respondents are married. Nearly 13 per cent are unmarried. One-nineths of the total respondents have come from other occupations into handicrafts.

ii) Economic Profile:

In the economic profile of the respondents, the income they earn from handicrafts, the value of their
property, annual expenditure, the number of dependents, the reasons for choosing the present occupation and the preference to put their children in the same occupation have been given.

Over one-thirds of the respondents (101 respondents or 36.08 per cent) have annual income between ₹. 10,000 to ₹.12,000. A large majority (51.43 per cent) of the respondents have their property value below ₹.30,000.

It is understood that all the annual income of the respondents is spent on such items as food, clothes, medicine, rent, transport etc. A majority of the respondents (50.36 per cent) have dependents ranging from four to six. 26.07 per cent have dependents three and below. A large majority of the respondents (161 respondents or 70.40 per cent) have taken loans upto ₹.4,000. As far as artisans keeping their children in the same handicrafts is concerned, a large majority of the respondents (about 69 per cent) do not prefer to keep their children in handicrafts.

D) ORGANISATION AND HUMAN RESOURCE :

a) Organisation :

Organisation refers to a group of persons working together to achieve a common objective. Organisation is
the process of defining and grouping the activities of the enterprise and establishing the authority relationships among them.

i) Form of Organisation: At present in India, business is carried on by different enterprises with different forms of organisations such as sole proprietorship, joint family, partnership, private limited, public limited, co-operative etc. A large majority of the respondents (84.04 per cent) have sole proprietorship form of organisation.

ii) Dependence of Craftsmen on Others: The craftsmen depend on mastercraftsmen, dealers and co-operative societies for the raw material or for marketing of their produce. Over one-thirds of respondents (36.79 per cent) are working independently procuring raw materials on their own and marketing their produce. While 27.86 per cent are working for co-operative societies. As many as 51 respondents (18.21 per cent) are working for mastercraftsmen. A little over 17 per cent are working for dealers.

iii) Problems with Mastercraftsmen: There are 51 respondents who are depending on and working for mastercraftsmen. They all expressed different problems like irregular orders, irregular supply of raw materials, irregular payments etc. As many as 21 respondents (41.18 per cent) have expressed the problem of getting irregular payments from the mastercraftsmen. About one-fourths of the respondents have said
that they are facing the problem of irregular supply of raw materials by the mastercraftsmen. Nearly one-fifths of the respondents (19.61 per cent) have mentioned that they are getting irregular orders from the mastercraftsmen. As many as eight respondents (15.68 per cent) have expressed that they are facing the problem of rejection of orders by the mastercraftsmen.

**Dealers:** The craftsmen have expressed some problems with dealers also. Out of 48 respondents who are working for dealers, as many as 20 respondents (41.67 per cent) have expressed that they are not getting payments regularly. The other problems expressed by the respondents are irregular supply of raw materials (37.50 per cent), irregular orders (14.58 per cent) and rejection of orders (6.25 per cent).

v) **Problems with Co-operative Societies:** Usually, artisans join co-operative societies to overcome the difficulties faced by them either with mastercraftsmen and/or with dealers. It is surprising to note that the artisans who are working for co-operative societies are also not free from problems. Out of 78 respondents who are working for co-operative societies, 46.15 per cent of the respondents have said that they are getting payments irregularly. About 36 per cent have mentioned that they are not getting raw materials regularly.
The main reason for the dependence of artisans on mastercraftsmen and dealers is poor financial condition. It is suggested that the Government should supply raw materials to all craftsmen through 'raw material depots'. Commercial banks should lend loans and advances to all artisans so that craftsmen will not depend on mastercraftsmen, and dealers for raw materials and finance. The Andhra Pradesh Handicrafts Development Corporation should purchase all the articles produced by the craftsmen. Hence, the Government and its agencies should provide raw materials, required finance and market for handicrafts to all craftsmen. With the result, the dependence of craftsmen on mastercraftsmen and dealers may be reduced.

The human resources are responsible for making use of physical and natural resources and for the transformation of raw materials into finished goods. The survival development and performance of an organisation, though not solely but heavily depends on the quality of human resources. The days of treating the man as a commodity or a factor of production have gone. The contribution of human factor is significant compared to that of other factors. This is more so in unorganised sector than in organised sector.
1) **Employment and Hours of work**: The craftsman carries on the activity in the house, where he resides. The family members assist him at various stages of production. A little over 64 per cent of the total persons employed in handicrafts are family members of artisans. An overwhelming majority (72.50 per cent) of the respondents are working more than eight hours a day. However, as many as 173 respondents (61.79 per cent) are idle for four days in a month due to lack of work. As a result of this, 137 respondents (48.93 per cent) have not worked for 61 to 80 days during 1989-90.

Adequate wages relieves individuals from financial worries and thus, enables them to put forward their best efforts on their jobs. Wages must be paid to employees promptly and handsomely. Artisans in handicrafts hire outside workers, to work along with family members. The outsiders are paid on time-rate or piece rate system basing on the nature of work. Regarding the payment of wages a large majority of the respondents (77.50 per cent) have said that they pay monthly wages ranging from below ₹. 300 to ₹.500 to hired workers.

iii) **Fringe benefits**: Employee benefits, sometimes called fringe benefits are compensation other than wages or salaries. Employers provide fringes partly to raise employee morale, to meet their social responsibility and
to make more effective use of their workforce. An overwhelming majority (75.71 per cent) of the respondents have stated that they occasionally provide free lunch, tea and give money to hired workers to go to cinema by way of fringe benefits. A majority of the respondents (73.57 per cent) have said that they are utilising human resource to a great extent.

E) FINANCE:

Finance is life-blood of any business organisation. Without finance, the survival and growth of any business unit is difficult.

i) **Capital**:

Any business organisation may have its capital in the form of fixed capital and/or working capital. The capital which is tied up with fixed assets like building, land, machinery and equipment is called fixed capital. A majority of the respondents (58.75 per cent) have fixed capital below ₹2000. Assets engaged in short operating cycle in a business are known as working capital. In other words, the amount of capital which is used to run the day-to-day affairs of any organisation is called working capital. The working capital includes cash, inventories of raw materials, partly finished products, finished products, other consumables etc. A majority
of the respondents (51.43 per cent) have working capital below Rs. 1000.

ii) Loans and Advances:

There are several sources of loans and advances. Basing on the convenience and availability, the craftsmen take loans and advances from such sources as mastercraftsmen, dealers, co-operative societies, commercial banks, money lenders and friends or relatives. As many as 96 respondents (45.07 per cent) have relied on commercial banks for loans as the interest rate is low. An overwhelming majority of the respondents (67.13 per cent) have taken loans and advances below Rs. 4,000. As many as 93 respondents (43.66 per cent) have taken loans and advances for the purpose of buying raw materials. The artisans are facing problems in raising loans and advances. Over three-fourths (79.20 per cent) of the respondents who are facing problems in raising loans and advances, have faced such problems as inability to provide security to bank; rigid procedures and formalities, inadequate loan amount and negligent attitude of bank employees.

Considering the above problems, it is suggested to simplify the bank procedures and formalities for giving loans and commercial banks may relax the rules regarding security. It is also suggested to raise the loan amounts.
F) PRODUCTION:

Production is changing the value of a basic material, by changing its shape through a series of work elements. Production is referred to as any process or procedure developed to transform a set of inputs like men, materials, capital, information and energy into a specified set of outputs like finished products and services in proper quantity and quality, thus achieving the objectives of an enterprise.

i) Location of the Unit:

Handicrafts are located both in rural and urban areas. When asked about the reasons for selecting the location, the respondents have said the availability of raw materials, native place, availability of skilled workers and proximity to market are the reasons. About one-thirds of the respondents have said that the availability of raw material is the reason for the selection of the location. One-fourths of the respondents (26.07 per cent) have said that they have selected the location because of the availability of skilled workers.

ii) Raw Materials:

Raw materials form an integral part of any product. Products cannot be made without raw materials. Artisans obtain required raw materials from such sources
as supplier/local retail outlets, mastercraftsmen, dealers and co-operative societies. Over fifty per cent (141 respondents) of the sample respondents have said that they are purchasing raw materials from suppliers/local retail outlets. The other sources of raw material's purchase are co-operative societies (22.50 per cent), mastercraftsmen (17.14 per cent) and dealers (10 per cent).

The frequency of raw materials purchase depends on the nature of production activity and the financial ability of the craftsmen. Over one-thirds of the respondents (34.20 per cent) have said that they purchase raw materials once in a month. This type of practice is found in case of imitation jewellery, sheet metal, wood carvings, woollen pile carpets and kalamkari prints. As many as 89 respondents (31.79 per cent) have said that they purchase raw materials once in a fortnight. This is extensively found in imitation jewellery, sheetmetal, miniature bronze icons, lacquerware toys, painted wooden/Kondapalli toys, cotton durries, and kalamkari prints. Over one-fourths of respondents (27.50 per cent) have revealed that they purchase raw materials once in a week. This practice is widely prevalent among the respondents belonging to miniature bronze icons, lacquerware toys, painted wooden/Kondapalli toys, cotton durries and stone-studded bangles.
Generally, businessmen purchase raw materials either by cash or on credit basis. Nearly fifty per cent of the respondents have said that they purchase raw materials from their source in exchange of finished goods. While 102 respondents (36.43 per cent) have mentioned that they buy raw material by paying cash immediately. A majority of the respondents in almost all the crafts except in woodware crafts, are obtaining raw materials in exchange of finished goods. While 47.50 per cent of the respondents are purchasing raw materials for cash.

The craftsmen face some problems in obtaining raw materials, 62 respondents (38.27 per cent) have expressed that irregular supply of raw materials from different sources is their problem. About one-third of the respondents (52 respondents) have said that high cost of raw material is their problem. While 27 respondents (16.67 per cent) have felt that they are facing the problem of low quality of raw material. A majority of the respondents are facing the problems of irregular supply and high cost of raw materials. The problem of irregular supply of raw materials is more so in metalware and textiles crafts.

Therefore, it is suggested that the Government through its agencies should supply raw materials to the artisans in all crafts. Andhra Pradesh Handicrafts
Development Corporation should open 'raw material depots' in all craft centres for the regular and uninterrupted supply of raw materials at a reasonable cost. So that the artisans may be able to reduce the cost of production. The administration of the existing raw material depots may be streamlined to ensure that their smooth and effective functioning.

iii) **Value of Raw Materials Consumption during 1989-90:**

The value of raw materials consumed in different crafts may differ as it depends on the nature of product and cost of raw material. A little over Rs. 48.32 lakhs worth of raw materials have been consumed during 1989-90 by the craftsmen in all the crafts. This works out to an average of Rs. 16,713 per each craftsman. The craftsmen in textile crafts have spent more on raw materials than the craftsmen in other groups. Each craftsman in woollen pile carpets on an average has spent Rs. 42,000 on raw material. However, it is as low as Rs. 6,500 in miniature bronze icons.

iv) **Value of Production during 1989-90:**

The production value includes the cost of materials, cost of labour and miscellaneous expenses. A little over Rs. 75.82 lakhs worth of products have been produced by all 280 respondents in different crafts
during 1989-90. In other words, on an average, each respondent has produced handicraft articles worth of Rs. 25,971. It can be observed that in crafts like imitation jewellery, woollen pile carpets, cotton durries, the average production has been above the overall average; while less in the case of sheetmetal, miniature bronze icons, lacquerware toys, wood carvings, painted wooden/Kondapalli toys, kalamkari prints and stone-studded bangles.

G) MARKETING PRACTICES:

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, Packing and Branding. Marketing combines several activities designed to sense, serve and satisfy consumer needs while meeting the goals of the organization. Marketing organisation is necessary for the realisation of organisational objectives. For, marketing organisation determines the survival and success of the organisations. However, it is not possible for all the organisations to have a well-structured marketing network. The large scale industries with abundant financial and other resources may be able to establish an efficient marketing organisation of their own, but to the small scale and
cottage industries, it is not possible to have such an organisation owing to resource crunch. Handicraft units, which are mostly run by individuals with sole-proprietary form of organisation can ill-afford to have separate and well-organised marketing system. The artisan-cum-proprietor of the unit looks after all the functions with the help of members of his family. Most of his time is spent on production. In case, he has a little time at his disposal, he uses it for acquiring raw materials. Usually, he has little knowledge and market information relating to his products. Woefully, the artisans in handicraft industry give little importance to the vital marketing function. The important marketing aspects are discussed under the heads of product, price, place and promotion.

1) **Product**:

A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, places, organisations and ideas. 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) **Additions to 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 — the preferences of consumers, the tactics of competitors, the firm's cost structure, and the spill over of demand from the product to another to 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 financial 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. As many as 183 respondents (65.36 per cent) said that they have not added any products to their product lines. However, around 35 per cent of the respondents have mentioned that they added products ranging from one to four to their existing product lines.

b) **Deletions from 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. Simplification is the process of reducing the variety of items in a product line to a desired minimum of types, styles, colours and sizes consistent with the needs of buyers. Deletion of some of the products from product line may also be a practice in handicrafts. 63.93 per cent of the sample respondents have not deleted any product from the existing product-line during the period. However, nearly 30 per cent of the respondents have deleted products ranging from one to three.

c) **Handicrafts Designs**: 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. It is found that around 48 per cent of the respondents use conventional designs. A little above 36 per cent of the respondents have mentioned that they use both conventional and modern. The rest of the respondents have said that they use modern designs in keeping with the tastes and preferences of consumers.
d) Product Planning and Development: Product planning embraces all activities that enable a company to determine what products it will market. Product development embraces 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 human creativity and workmanship. Artisans, usually, strive for excellence in their crafts by undertaking product planning and development. As many as 168 respondents (60 per cent) have said that they do not undertake product planning and development. Whereas 112 respondents (40 per cent) have said that they undertake product planning and development.

Hence, it is suggested that the Andhra Pradesh Handicrafts Development Corporation should come out with a new range of utility products using fabrics and designs and incorporating traditional crafts into these designs. For example, kalamkari fabrics and banjara embroidery have been combined to bring out new effect thereby providing
work both for the kalamkari craftsmen and banjara women. Similarly, other crafts have to be studied thoroughly to produce the items of daily use. Traditional fabrics can be used for the manufacture of conference bags, folders, note books etc. Hence, it is suggested that the Corporation should make the artisans to adopt a new and novel approach to product planning and development.

e) Expansion: Expansion is increasing the present scale of operation either by mechanising 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.

As many as 103 respondents (36.77 per cent) have said that they are planning to expand their units. While the rest have said that they are not planning to expand. The expansion of the unit can be done in various ways; that is by mechanisation, enhancing the installed capacity and increasing manpower. As many as 52 respondents (50.49 per cent) have said that they want to expand their units by increasing manpower. While 28 respondents (27.18 per cent) have expressed that they want to expand their units through mechanisation of process. As many as
23 respondents (22.33 per cent) have mentioned that they want to expand their units by enhancing the installed capacity.

Out of 103 respondents who are planning to expand their units, as many as 49 respondents (47.57 per cent) have estimated the amount ranging between Rs. 4,001 and Rs. 6,000 is required to implement their expansion plans. One-fifths of the respondents (21.36 per cent) have estimated the amount ranging from Rs. 2,000 and Rs. 4,000 is required for expansion. The rest have estimated it between Rs. 6,001 and Rs. 12,000.

ii) Pricing:

Price is the exchange value of a good or service and the value of an item is what it can be exchanged for in the market place. Price is a measure of what one must exchange in order to obtain a desired good or service. Price is the monetary expression of 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 receive and buyers would offer less than they expected to pay. Through bargaining they would arrive at an acceptable price. Setting one price for all buyers is relatively modern idea.
a) **Fixing the 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 mastercraftsmen, dealers and co-operative societies. As many as 81 respondents (28.93 per cent) have said that prices of their articles are fixed by respective co-operative societies. While 76 respondents (27.14 per cent) have mentioned that the prices of their articles are fixed by the dealers. 25 per cent of the respondents (70 respondents) have mentioned that they themselves fix the price for their articles. However, 18.93 per cent (53 respondents) have said that the mastercraftsmen fix the price for their articles.

Thus, prices of handicraft articles are fixed by craftsman himself, mastercraftsman, dealer and co-operative societies. The extent of influence of these people in fixing the prices differ from craft to craft. By and large, 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**: The sales tax on handicrafts in Andhra Pradesh is a multi-point tax which is to some extent
responsible to the increase in the cost of the handicraft items. It ranges from three per cent to 15 per cent on each item. Sales tax is not only high on handicrafts but also varied from craft to craft.

Hence, 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):**

How to distribute its products is a major decision for any firm. 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 mastercraftsmen, dealers and co-operative societies for disposal of their finished products. Some producers sell directly to the consumers, whereas some sell through dealers, mastercraftsmen and Lepakshi Emporia. Sometimes, the dealers and mastercraftsmen sell the handicraft products through
Lepakshi 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 of distribution. Handicrafts producers are depending on the dealers and mastercraftsmen for selling handicrafts to consumers. Lepakshi sales emporia are purchasing handicrafts from dealers and mastercraftsmen; but not from handicrafts manufacturers.

In view of the shortcomings existing in the present channels of distribution of handicrafts, proposed channels of distribution is suggested. The 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 Handicrafts 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.

a) **Customer-Mix**: As many as 81 respondents (28.93 per cent) have said that they sell articles of handicraft to the respective co-operative societies. While 76 respondents (27.14 per cent) have mentioned that they sell to the dealers. Mastercraftsmen are customers to 54 respondents (18.93 per cent). 21 respondents sell to retail outlets. However, only three respondents have said that they sell to Andhra Pradesh Handicrafts Development Corporation. The reasons cited by the respondents for not selling their produce to the Corporation are delayed payment, rejection of despatched goods on the ground of poor quality etc. The Andhra Pradesh Handicrafts Development Corporation is adopting a centralised purchasing system whereby only the head office purchases the articles from various crafts. This is causing inordinate delay in accepting the goods sent and paying the amount. The artisans are unable to wait till
the payment is made to them. There are also procedural rigidities. Instead of adopting centralised purchasing system, it is suggested that the purchasing system should be decentralised, that is to say the managers of the sales emporia should be authorised to buy the articles locally available and to pay the amount promptly. The Corporation should live up to the objectives of its formation by relaxing the rigid procedures in purchasing articles from the artisans.

b) Terms of Sales: Articles of handicrafts are usually sold for cash, on credit basis, a combination of cash and credit and in exchange of raw materials. But handicrafts are sold to consumers absolutely for cash. Out of 53 respondents who are selling articles to mastercraftsmen, 48 respondents (90.57 per cent) are selling handicrafts in exchange of raw materials. Out of 76 respondents who are selling to the dealers, 46.05 per cent have said that they are selling handicrafts to the dealers on partly cash and partly credit basis.

iv) Promotion:

Promotion is one of the major variables in the marketing-mix. Basically, it is communication information between buyer and seller to change attitudes and behaviour of consumers. Promotion-mix includes
advertising, sales promotion, personal selling, publicity, and packaging.

a) Advertising: Advertising is not undertaken by any respondent. The small scale operation of the artisans does not permit the craftsmen to undertake advertising of their products individually. However, Andhra Pradesh Handicrafts Development Corporation has been undertaking advertising campaign for all the handicrafts. 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 centres of 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. The expenditure has increased from Rs. 0.23 lakhs in 1981-82 to Rs. 10.47 lakhs in 1990-91 with fluctuations during the intervening years. Office of the Commissioner of Handicrafts Development Corporation has provided these amounts to Andhra Pradesh Handicrafts Development Corporation for spending on advertising, publicity and exhibitions.

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. Out of 242 respondents who are undertaking efforts to promote sales, as many as 147 respondents (60.74 per cent) have undertaken the effort of improving the artistic value of handicrafts as a tool for sales promotion. Whereas 51 respondents (21.08 per cent) have undertaken the effort of improving the functional value of handicrafts as a tool for promoting sales. While 25 respondents (10.33 per cent) have undertaken publicity for their handicraft for the promotion of sales. However, 19 respondents (7.85 per cent) have undertaken the effort of reducing the price of handicrafts for sales promotion.

c) **Marketing Problems**: Artisans face several problems in marketing. Out of 280 sample respondents, 220 respondents (78.57 per cent) have said that they face marketing problems. Whereas 60 respondents (21.43 per cent) have mentioned that they have not faced any marketing problems.

Out of 220 respondents who have faced marketing problems, 78 respondents (35.45 per cent) have faced the marketing problem of inadequate advertising and publicity.
While 68 respondents (30.91 per cent) have faced the marketing problem of rapid changes in consumer preferences and tastes. As many as 41 respondents (18.64 per cent) have faced the problem of unremunerative pricing. 33 respondents (15 per cent) have expressed that they have been exploited by middlemen.

In view of shortage of financial resources and small scale of operation, advertising and 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, Andhra Pradesh Handicrafts Development Corporation and Rural Marketing and Service Extension Centres may be required to play a vital role in solving the marketing problems faced by artisans.

H) CONSUMER BEHAVIOUR:

An understanding of the consumer behaviour of various market segments helps sellers to select the most effective product design, price, advertising appeals, channels of distribution. Consumer behaviour has been defined as behaviour involved in planning, purchasing
and using economic goods and services. Thus, consumer behaviour is defined as the acts of individuals directly involved in obtaining and using economic goods and services including the decision processes that precede and determine these acts. Consumer behaviour involves the study not only of what people consume but where, how often, and under what conditions goods and services are consumed.

1) Socio-economic background of Consumers:

The social factors like education, occupation and marital status and economic factors like income may have influence on consumers while they purchase handicrafts. Education creates awareness for the availability of products. Educated people are well-informed. Education influences one's purchasing decisions. About one-thirds of the respondents are graduates and one-fifths are post-graduates.

The occupational background may influence the behaviour of the consumers. Nearly 46 per cent of the total sample respondents are employees. While 102 respondents (33.99 per cent) are businessmen.

Marital status influences consumer behaviour. The purchasing behaviour of married people is different from that of the unmarried people. About 80 per cent of the respondents are married. Whereas 52 respondents (17.33 per cent) are unmarried.
The income of the buyer determines the purchasing power. Income plays a major role in buyer behaviour. Nearly one-thirds of the respondents have income over ₹50,000. As many as 86 respondents (28.67 per cent) have annual income ranging between ₹40,001 and ₹50,000. However, 17.33 per cent of the respondents have annual income ₹30,000 and below.

ii) S

Consumer behaviour is rarely a simple process. The purchase decision can involve many variables, including price, quality, availability, and service. Information regarding these inputs can be obtained from several sources. The advertising media, sales people, family, friends and personal observation can provide the data for making purchase decisions. The consumers then process this information and decide which products and brands to buy, the dealer to patronize and perhaps the quantity and frequency of purchase. Before all these things, getting an idea to buy a product is primary thing. After getting an idea for some product the next process will start. There are various sources through which a consumer may get an idea to buy handicrafts.

About one-fifths of the respondents (23.99 per cent) have got the idea of buying handicrafts on
visiting handicrafts sales emporia. As many as 65 respondents (21.68 per cent) have got the idea on attending handicrafts exhibitions. Nearly 20 per cent have said that they have got the idea on seeing handicrafts in friend's house. As many as 53 respondents (17.67 per cent) have mentioned that they have got the idea of buying handicrafts on seeing T.V. programmes on handicrafts.

As many as 142 respondents (43.34 per cent) have said that they obtained information about the availability of handicrafts or retail outlets of handicrafts through friend's or reference group. Nearly one-fourths have got the information from their family members. About 20 per cent have obtained the information about the availability of handicrafts or retail outlets of handicrafts from published sources like newspapers, magazines etc.

iii) Persons Influencing Buying Decisions:

The person making the purchase may be acting on some family member's judgement, on a joint judgement or even against his or her own judgement. Most products and most brands are chosen and purchased by the woman of the family. Her decisions are more or less influenced by the children and her husband, the degree of influence depending on the product and on the individual family
structure. Most decisions are made jointly by husband and wife, although one or the other tends to dominate, as in most husband and wife relationships.

Barring 72 respondents (24 per cent), all others have said that they are influenced by spouses, parents, children and other family members in making buying decision. As many as 88 respondents (29.33 per cent) have stated that their buying decisions of handicrafts are influenced by spouses. While 78 respondents (26.00 per cent) have said that their children influence the buying decisions. As many as 72 respondents (24 per cent) make their own buying decisions.

The person who influences buying decision may be different from the person who takes buying decision. As many as 207 respondents (69.00 per cent) have said that they themselves take the decisions to buy handicrafts. While 63 respondents (21.00 per cent) have expressed that their spouses take the decisions. 7.33 per cent (22 respondents) have mentioned that their parents take the decision. The remaining eight respondents (2.67 per cent) have stated that other members of their family take the decision to buy handicrafts.

iv) Reference Group:

Reference group also influences buyer behaviour. A reference group may be defined as a group of people who
influence a person's attitudes, values and behaviour. A reference group's standards of behaviour serves as guides or frames of reference for the individual. Consumer behaviour is influenced by the small groups to which consumers belong. These groups may include labour unions, church groups, athletic teams or a circle of close friends or neighbours. Each group develops its own set of attitudes and beliefs that serve as norms for member's behaviour. The members share these values and are expected to conform to the group's normative behavioural patterns. A large majority of the respondents (66.67 per cent) have stated that the influence of reference group on buying decisions of respondents is there to a large extent.

v) Influence of Individual Factors in Purchase Decision-

Individual factors like motivation, perception, learning and attitude influence individual factors in making purchase decisions.

a) Motivation: A motive is a stable inner condition that results in goal-directed behaviour. Motivation may be thought of as a driving force or a "necessity" to reduce a state of tension. A set of motives stem from psychological needs related to social environment. Surrounding social institutions demand conformity to
certain values and patterns of behaviour.

As many as 127 respondents (42.34 per cent) have stated that artistic and sense of aesthetics is the motive behind buying handicrafts. While 29.33 per cent (88 respondents) have mentioned that sense of prestige and status is the motive behind buying handicrafts. The utility and luxury to possess handicrafts are the motives of the rest of the respondents. Thus, over 40 per cent of respondents have been motivated to purchase handicrafts due to artistic nature of the products.

b) **Perception** : It is the basic process by which people alter, change, and modify their existing value, belief and knowledge systems. Perception is to see, to hear, to touch, to taste, to smell and to sense internally something event and to organize, interpret and give meaning to the experience. Consumer's perceptions are important to the marketer. Individuals make decisions and take actions basing on what they perceive to be reality, it is important that marketers understand the whole notion of perception so that they can more readily determine what influences consumers to buy.

As many as 182 respondents (60.67 per cent) have said that they perceive handicrafts as household decorative articles. One-fifths of the respondents have
perceived them to be presentation or gift articles. The rest have perceived handicrafts to be decoration articles of commercial establishments, offices or institutes. Most of the respondents have stated that they perceive handicrafts as decoration articles for houses.

In view of the above, it is suggested that the artisans may concentrate to develop new designs and models in handicrafts to be suitable for decoration articles.

vi)

The product design is the problem of anticipating or trying to do what will be required in future and improving what is being already produced. Product design involves primarily the determination of what a product will look like, what will do, how it will function, what will be made of, and how it will be made. For any product in the business world, there are two aspects of product design. One is the design for selling; the other is design for making. Design for selling is planning the product from the consumer's point of view to make it as saleable as possible. Design for making is planning the product so that manufacturer can economically change the raw materials into finished products for consumer use. Handicrafts designs have to be changed periodically.
Usually outdated designs do not attract buyers. In keeping with the changes in consumer tastes and preferences, artisans have to change product designs. The designs in handicrafts can be classified into i) conventional, ii) modern, and iii) conventional and modern. As many as 159 respondents (53 per cent) have said that they like conventional and modern designs of handicrafts. While 83 respondents (27.67 per cent) have expressed that they like modern designs. However, 19.33 per cent (58 respondents) have mentioned that they like traditional and conventional designs of handicrafts.

Since most of the respondents like conventional and modern handicrafts, it is better, for the artisans to develop and concentrate in manufacturing such types of handicrafts.

vii) Impressive Aspects of Handicrafts:

In every handicraft there are some impressive aspects. People buy handicrafts because of the impressive aspects which include religious depictions, decorability, craftsmanship and aesthetics and utilitarian.

As many as 102 respondents (34 per cent) have said that religious depictions in handicrafts impress them. While 78 respondents (26 per cent) have mentioned that decorability of handicrafts impress them. 24.33 per cent
(73 respondents) have expressed that craftsmanship and aesthetics of handicrafts impress them. However, 47 respondents (15.67 per cent) have said that utilitarian aspect of handicrafts impress them.

Hence, it is suggested that the artisans may produce more number of handicrafts with religious depictions in their conventional and modern designs as suggested earlier.

viii) Satisfaction with the Quality and Durability of Handicrafts:

If the purchase of a particular item results in satisfaction, the buyers arrive at the evaluation that the chosen product is consistent with beliefs and attitudes. This experience is stored in memory for use in future purchase decisions. It is likely to have strong effect on beliefs and consequently upon attitudes. Hence, an attempt is made to know the buyers satisfaction with the quality of handicrafts. As many as 240 respondents (80 per cent) have said that they are satisfied with the quality and durability of handicrafts.

ix) Product-mix and Product-range of Handicrafts in emporia:

The volume of sales depend on the availability of different models of the same product and also of the different products.
42.67 per cent (128 respondents) have stated that they are satisfied with the product-range and product-mix of Lepakshi sales emporia to a large extent, whereas 110 respondents (36.67 per cent) have mentioned that they are satisfied to some extent. However, 20.66 per cent (62 respondents) have said that they are not at all satisfied with the product-range and product-mix of Lepakshi sales emporia.

x) Problems in buying Handicrafts:

Sometimes, buyers face problems in purchasing goods from retail outlets and dealers. Good customer relations increase sales. Customer satisfaction is the basis for the success of any business organisation. The sales of handicrafts depend on such factors as good sales persons in the emporia, availability of required article, in required size and shape etc. The sales persons through their pleasing manners and courtesy should attract the customers to enhance sales of handicrafts. As many as 122 respondents (40.67 per cent) have said that the problem that they are facing in buying handicrafts from sales emporia is non-availability of required article size and design. While 88 respondents (29.33 per cent) have expressed that poor quality of articles because of improper storage facilities of sales emporia. Imposition of sales tax is the
problems faced as stated by 52 respondents (17.33 per cent). However, 38 respondents (12.67 per cent) have mentioned that indifference of sales persons in sales emporia is their problem.

Hence, it is suggested that State Handicrafts Development Corporation should maintain proper stock of all varieties of handicrafts. Quality of articles should be maintained through proper storage facilities. Customer satisfaction is the essence of marketing, all the sales persons should be trained to maintain good customer relations. It is also suggested that Rural Marketing and Service Extension Centres and Andhra Pradesh Handicrafts Development Corporation should undertake market research and consumer research periodically to enable artisans to produce those articles which are needed by buyers.