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Marketing strategies employed by Maniabandha handloom weavers and their impact on profitability

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Abstract

This article examines the marketing strategies employed by the Maniabandha Handloom Enterprise, formed from the merger of seven Self-Help Groups (SHGs) of weavers in Cuttack district. The study investigates the impact of these strategies on profitability, focusing on the 4Ps of marketing—Product, Price, Place, and Promotion. Before the merger, the SHGs struggled with limited product variety, inconsistent quality, arbitrary pricing, restricted market reach, and minimal promotional efforts. Post-merger, the unified enterprise has diversified its product offerings, implemented competitive and value-based pricing, expanded its market presence locally and internationally, and adopted comprehensive digital and traditional marketing strategies. By analyzing these shifts, the article highlights the significant improvements in sales, customer base expansion, and profit margins, demonstrating how strategic marketing transformations have driven the enterprise's success and sustainability.

Keywords: Maniabandha handloom, marketing, profitability, self-help groups, Odisha

Introduction

Woven into the very fabric of India's identity lies the handloom industry, a vibrant tapestry of tradition, empowerment, and artistic excellence. It stands as a testament to the nation's rich cultural heritage, employing over 45 million people across the country, with a significant portion being women and those residing in rural areas. According to the fourth all India handloom census (2019-20), a staggering 70 per cent of weavers and allied workers are women, while a staggering 88.7 per cent of weaver households hail from rural regions. This translates to the handloom sector being a crucial force in empowering both women and rural India, providing not just livelihoods but also a sense of purpose and cultural preservation (PIB, 2019) ^[6]. With a rich history stretching back to the 5th century BCE, India's handloom weaving tradition has been celebrated worldwide for its exceptional quality. This legacy is alive today, with India's textile industry, which includes both handloom and handicraft goods, exporting to over 100 countries. The United States, the European Union, and the United Kingdom are just a few of the many nations that remain captivated by the timeless appeal of Indian textiles (InvestIndia, 2023) ^[1]. The captivating designs adorning Indian handlooms are a unique blend of geography, local resources, and the deep-rooted religious and social customs

specific to each region. This diversity is a defining characteristic of India's handloom tradition. To protect this rich heritage, 65 handloom products and 6 product logos have been meticulously registered under the Geographical Indications of Goods Act. This ensures the authenticity and cultural significance of these textiles (PIB, 2019) ^[6]. Traveling across India, one encounters a breathtaking array of distinct handloom styles, each with its own story to tell. Madhya Pradesh boasts the Bagh, Batik, Chanderi, and Maheshwari weaves. Uttar Pradesh dazzles with the intricate Varanasi Brocades, Zardozi embroidery, and the delicate Chikankari work. West Bengal showcases the elegance of Baluchari, Tangail, and Jamdani sarees. From the Kasargod, Kannur, and Kuthampully weaves of Kerala to the Pochampally and Gadwal silks of Telangana, each region unveils its artistic soul through its handloom creations. Gujarat takes pride in the intricate Patola, Bhujodi, Ajrakh, Bandhej, Tangaliya, Mata Ni Pachedi, and Ashavali weaves, while the traditional designs from Assam and Manipur, like Phenek and Tongam, add to the vibrant tapestry (NABARD, 2021) ^[5]. Handlooms are engaged in weaving cotton, silk, and other natural fibers. The process of weaving is the interlacing of two sets of yarn—the weft and the warp. The warp is the lengthwise or longitudinal yarns held stationary in looms and the weft is drawn through and

inserted over and under the warp. A handloom is a loom used to weave fabrics without the use of electricity or power. There are different stages in the process of weaving where several strands of silk yarn come together to become beautiful fabric. Here a discussion is made on the journey into silk weaving process and production. The overall production of silk fabrics involves some laborious processes before the yarn is put on the loom. Within this national panorama, Odisha occupies a place of pride. The state is renowned for its vibrant and unique handloom traditions, passed down through generations. From the famed Sambalpuri textiles with their intricate motifs to the delicate Ikat patterns of Baragarh, each region boasts its own distinct style. Odisha contributes significantly to the national handloom scene, with over 1,30,000 weavers engaged in the industry across 27 weaving clusters (Mishra, 2020) [3]. Nestled within Odisha's rich handloom tapestry lies a hidden gem - Cuttack, particularly the Maniabandha area. This bustling hub is synonymous with the production of exquisite silk sarees, renowned for their intricate designs, rich textures, and vibrant colors. The craftsmanship here is unparalleled, with generations of weavers meticulously weaving their magic on looms. From the classic 'Bandha' and 'Atlas' varieties to the more contemporary 'Bomkai' and 'Barohoda' styles, Maniabandha offers a kaleidoscope of handloom artistry. The promotion of handlooms goes far beyond the aesthetic appeal of the textiles. It is an act of preserving a rich cultural heritage, a legacy that needs to be nurtured and passed on to future generations. It is also about empowering the lives of millions who depend on this industry for their livelihood. In Cuttack Maniabandha, countless families rely on the income generated from weaving these exquisite sarees. Supporting this industry ensures the well-being of weavers, their families, and the entire ecosystem that thrives around handloom production. However, despite its immense potential, the handloom industry faces challenges. One of the most crucial issues is the need for effective marketing strategies. Unlike power looms that churn out mass-produced textiles, handloom products are unique creations that require a targeted approach to reach the right audience. Bridging the gap between the skilled weavers and discerning customers is essential to ensure the sustainability of the industry.

Materials and Methods

Eighty four weavers from the Handloom enterprise, twelve each from the earlier seven producer groups who are currently engaged in the newly formed enterprise weaving different products and 20 employees from the organization, who are employed in different divisions will form the sample. Convenience Sampling will be followed while selecting the weavers and employees. The Maniabandha handloom enterprise is formed a year back i.e. during 2023 by merging seven producer groups. Since, there is a need to evaluate its marketing strategies and its impact on profitability of the newly established firm to take decisions on further course of action, this enterprise which is located in Cuttack District of Odisha is taken for the study.

Results and Discussions

1. Product Strategy

1.1 Product Variety and Innovation

Before the formation of the producer enterprise, the SHGs primarily focused on producing traditional sarees with a limited product variety. Innovations were minimal due to resource constraints and a lack of market insights. Weavers adhered strictly to traditional designs and techniques, which limited the range of products available and did not cater to changing consumer preferences. This restricted the market to those with a traditional preference or who were specifically seeking Maniabandha sarees. The limited product range hindered the customer base and sales. The focus on preserving traditional designs without significant adaptation to modern trends resulted in a narrower market appeal and stagnant growth. The inability to innovate or diversify products limited the weavers' ability to attract new customers or meet the changing tastes of existing customers. After the formation of the producer enterprise, the product range diversified to include sarees, dupattas, kurtis, and dress materials, integrating traditional ikat designs with contemporary aesthetics. This shift was driven by market research and consumer preferences. The enterprise introduced new designs and color schemes and experimented with different fabrics, making the products more appealing to a broader audience, including younger, fashion-conscious consumers. The expanded product range attracted a larger customer base and continuous innovation in designs helped maintain customer interest, increasing sales and positively impacting profitability. Offering various product lines also allows for cross-selling opportunities and higher average transaction values, maximizing market potential and sustaining long-term growth.

1.2 Quality Assurance

Before the formation of the producer enterprise, quality control was inconsistent, and weavers had limited access to premium materials and advanced techniques, leading to variability in product quality. The absence of standardized procedures for quality assurance meant that products often varied in terms of finish and durability, which affected customer satisfaction and brand reputation. Inconsistent quality led to customer dissatisfaction and limited repeat purchases, negatively impacting profitability.

After the formation of the producer enterprise, the producer enterprise implemented strict quality control measures and provided weavers with access to better materials and advanced weaving techniques, ensuring consistent production of high-quality products. Training programs were conducted to enhance weavers' skills and standardize production processes, ensuring each product met high-quality standards. Consistent high quality fosters customer loyalty and repeat purchases, justifying premium pricing and contributing to higher profit margins. A strong brand reputation encourages customers to make repeat purchases and recommend products to others, expanding the customer base.

1.3 Customization and Personalization

Before the formation of the producer enterprise, customization options were limited, with most products following standard designs with minimal personalization. Weavers produced items based on traditional patterns without offering customization, which limited the ability to cater to individual preferences or special requests. This

reduced the appeal to niche markets looking for unique, personalized items, resulting in lost sales opportunities.

After the formation of the producer enterprise, the producer enterprise began offering customization and personalization options, such as bespoke designs and personalized motifs. Customers could now request specific patterns, colors, or even personalized inscriptions, making the products more unique and appealing. Customization commands a premium price, increasing profit margins. Personalized services build strong customer relationships, leading to repeat business and positive word-of-mouth marketing, enhancing customer satisfaction and loyalty.

2. Price Strategy

2.1 Competitive Pricing

Before the formation of the producer enterprise, pricing was often arbitrary and based on immediate needs rather than market conditions, as SHGs lacked a clear pricing strategy. Prices were set without considering production costs, market demand, or competitor pricing, leading to inconsistencies and potential undervaluation of products. This sometimes led to undervaluing products, affecting revenue and profitability.

After the formation of the producer enterprise, the producer enterprise adopted a competitive pricing strategy based on market research and cost analysis. Prices were set to reflect the craftsmanship and quality involved. A clear understanding of production costs and market conditions enabled the enterprise to price products appropriately, ensuring they were both competitive and profitable. Competitive pricing makes products accessible to a broader audience while ensuring fair compensation for weavers, helping to sustain sales volume and ensure steady profitability.

2.2 Value-Based Pricing

Before the formation of the producer enterprise, there was limited understanding of value-based pricing, and exclusive designs were often sold at the same price as standard items. The lack of differentiation in pricing failed to capture the true value of unique or high-demand products, resulting in missed opportunities to capture higher profit margins on unique products.

After the formation of the producer enterprise, the producer enterprise implemented value-based pricing for exclusive and limited-edition designs, targeting niche markets willing to pay a premium for unique items. The enterprise assessed the perceived value of these products and set prices accordingly, capitalizing on the exclusivity and uniqueness of the designs. Higher profit margins from premium-priced products contribute significantly to overall profitability, elevating the brand's prestige and attracting high-end customers.

2.3 Seasonal and Promotional Pricing

Before the formation of the producer enterprise, the use of promotional pricing was infrequent, and seasonal sales were not systematically planned. Without a structured approach to promotions, SHGs missed opportunities to stimulate demand and boost sales during peak buying seasons, resulting in lower sales volumes during potential high-demand periods and affecting overall profitability.

After the formation of the producer enterprise, the producer enterprise systematically uses seasonal sales, festive discounts, and promotional offers to attract customers during peak seasons. By planning and executing targeted promotions, the enterprise can drive higher sales volumes and optimize inventory turnover during key periods. Promotional pricing strategies increase sales volume and help clear inventory. Higher sales during peak seasons enhance overall profitability, and promotions attract new customers who may become repeat buyers.

3. Place Strategy

3.1 Local and Regional Markets

Before the formation of the producer enterprise, products were sold primarily in local markets, fairs, and exhibitions, with distribution limited to nearby areas, restricting market reach. The focus on local sales limited exposure to a broader audience and potential customers outside the immediate region, restricting sales potential and growth.

After the formation of the producer enterprise, the producer enterprise strengthened its presence in local and regional markets with better-organized distribution channels and participation in more fairs and exhibitions. This expanded local presence increased sales opportunities and reinforced community ties, contributing to steady revenue and growth. Enhancing distribution channels and participating in more events allows the enterprise to reach a larger audience and boost sales.

3.2 National and International Expansion

Before the formation of the producer enterprise, there were minimal efforts to reach national or international markets due to resource constraints and limited market access. The focus remained on local sales, missing out on the potential of broader markets, restricting market reach, and limiting sales growth and profitability.

After the formation of the producer enterprise, the producer enterprise strategically expanded into national and international markets through partnerships with retailers and participation in trade fairs. E-commerce platforms were also utilized to reach global customers. These efforts enabled the enterprise to tap into larger markets and diversify its customer base, significantly boosting sales volume and profitability. Online sales provide access to a global audience, driving substantial revenue growth.

3.3 E-Commerce and Digital Platforms

Before the formation of the producer enterprise, the SHGs had limited or no presence on e-commerce platforms, with sales primarily conducted offline. This traditional approach restricted the ability to reach customers beyond the local market, resulting in missed opportunities to tap into the growing online shopping trend and limiting sales potential.

After the formation of the producer enterprise, the producer enterprise established an active presence on e-commerce websites like Amazon, Etsy, and specialized handloom platforms. Social media was also leveraged for direct sales. This digital shift allowed the enterprise to reach a global audience and offer products directly to consumers online. E-commerce reduces overhead costs and offers scalability, significantly enhancing sales and profitability by increasing visibility and attracting a wider audience.

4. Promotion Strategy

4.1 Digital Marketing

Before the formation of the producer enterprise, digital marketing was minimally utilized, with reliance on word-of-mouth and local advertising. The absence of a structured digital marketing strategy limited the ability to reach a broader audience and enhance brand visibility, restricting sales growth.

After the formation of the producer enterprise, the producer enterprise implemented a comprehensive digital marketing strategy, leveraging social media, SEO, and SEM to reach a broader audience. Engaging content and online promotions were used to build brand awareness. Digital marketing campaigns were designed to target specific demographics and drive online sales, significantly boosting visibility and attracting a diverse customer base. Enhanced brand recognition translates to higher sales and profitability.

4.2 Collaborations and Endorsements

Before the formation of the producer enterprise, there were no collaborations or endorsements, and SHGs did not actively seek partnerships that could enhance product image or expand market reach, resulting in missed opportunities to enhance brand image and attract new customers.

After the formation of the producer enterprise, the producer enterprise pursued strategic collaborations with fashion designers, influencers, and celebrities. Partnerships with fashion shows and events showcased the brand to a wider audience. These collaborations helped elevate the brand's prestige and attract new customers, driving sales and increasing profitability. Strategic partnerships support brand positioning, expand market reach, and contribute to revenue growth.

4.3 Participating in Exhibitions and Fairs

Before the formation of the producer enterprise, participation in local fairs and exhibitions was irregular and poorly organized. The lack of a systematic approach to these events limited exposure to potential customers and business partners, resulting in missed opportunities to generate bulk orders and establish long-term relationships.

After the formation of the producer enterprise, the producer enterprise regularly participates in national and international exhibitions and fairs, providing well-organized showcases that attract wholesalers and retailers. These events offer a platform to present the products to a broader audience and generate significant business leads. Exhibitions generate bulk orders and establish long-term business relationships, boosting sales and profitability.

4.4 Traditional Advertising

Before the formation of the producer enterprise, the use of traditional advertising methods like print media and local TV was sporadic, with no coordinated approach to leveraging traditional media for brand promotion. This resulted in inconsistent brand visibility and customer reach.

After the formation of the producer enterprise, the producer enterprise coordinated traditional advertising efforts to complement digital marketing. Print ads, radio jingles, and TV commercials targeted local and regional customers. A cohesive advertising strategy ensured that the brand reached a wide audience through multiple channels, leading to

higher sales and profitability. A coordinated advertising approach enhances brand recognition and supports sustained revenue growth by integrating traditional and digital marketing strategies, maximizing reach and driving higher sales.

Conclusion

The transition from individual SHGs to a unified producer enterprise has significantly enhanced the Maniabandha handloom's marketing strategies and profitability. Customers have been more devoted to the company as a result of its increased product offering, reliable quality control, and introduction of customization. Handloom industries are having traditional method to products. They will be able to adopt new technologies in production process. New technology covers most of the customer first choice. 4Ps have all types of strategies, if the industries follow suitable strategies favor of production and marketing (Mubeen, 2016) ^[4]. Targeted seasonal promotions and digital marketing have increased visibility and sales, while strategic pricing, which incorporates competitive and value-based approaches, has maximized revenue potential. Profitability has been further boosted via e-commerce, strategic partnerships, and improved distribution through local, national, and worldwide channels. All in all, the enterprise has become a thriving, inventive company with a strong market presence thanks to these all-encompassing techniques.

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