

## CONSUMER BEHAVIOUR

To help the weavers identify trends and to increase the marketability of their products, a survey was floated and respondents were requested to answer the questions regarding the price range in which they would buy the saree, the order of preference they would look for in the saree, the kind of colours they usually purchase a saree.

And the below are the **findings** of the survey

1. The older generation from age 30/ 35 onwards are more knowledgeable than the young population.
2. Over 80% of the respondents between the age of 21 – 35 primarily purchase sarees with trendy designs
3. The people who are knowledgeable are willing to spend at least between 5000- 10,000 for a saree.
4. The Quality of silk is not that important for the people. Price on the other hand comes second close behind the first place of trendy designs.
5. Most of the younger population prefer blue colour sarees

### Analysis

Based on the latest demographics, more than 50% of the population are below the age of 25 and the average age of Indian population is constantly decreasing and the average age of India, is expected to be around 29 years by the year 2020.

Considering the analysis, it is best advised if the weavers attend to the tastes and preferences of the growing young Indian population and

1. Regularly remain abreast with the changing tastes and preferences of the customers.
2. Regularly weave new and trendy designs to maintain constant sales
3. Increase awareness. – The people are all working and capable of spending. They must be made aware of the escalating costs and the worth of a handloom saree to earn the right price for a saree. Currently without this knowledge however, respondents are sceptical to pay more than 5000 for a saree.
4. Sarees of blue red and pink shades are more preferred. Over the years, the weavers can concentrate on weaving sarees of these shades more to possibly enhance sales of Pochampally sarees.

## MARKETING

Marketing of Pochampally Sarees appears to be the best solution to eradicate the hand-to-mouth lifestyle of the weavers.

Based on our discussions with Weavers, Master weavers and Co-operative society members, merchandising and Marketing have starkly resonated as the heart to the growth and development of the handloom sector and is recognized among the urgent issues that needs addressing for Pochampally weavers.

However, due to the cut-throat competition even amongst the master weavers, they don't earn more than a meagre profit of about 10%. Therefore each saree leaves Pochampally at a price of about Rs.6000. However as the sarees reaches the city and finds its way to big malls, the same saree is priced anywhere around Rs.8000 – 10,000

While we understand the high costs of maintaining such large malls warrants such price increases for sustainability, this report acknowledges the same and strives to identify alternatives which could enhance the worth of the saree and ensure better livelihood of the weavers.

## **CHALLENGES**

### **Escalating costs**

The Problems of the handloom industry have risen time and again. The recent rise in cloth prices and the competition from the power loom has increased the issues for the handloom weavers.

Due to the escalating raw material costs, each stage in the value chain of the saree preparation costs on an average between 500- 1000. The approximately Rs.3500 worth of raw materials and dyes causes the cost of the saree to start from approximately 5500, which the consumers are not prepared to shell out.

### **Declining artists**

A more than 100% increase in the price of Raw materials, namely mulberry (silk), the lack of this knowledge for the customers and their demand for low priced silk sarees, and the inability of the handloom weavers to adapt to the rising prices and compete with the power loom garments has caused as many as 70% of the weavers to quit this sector and look for jobs elsewhere.

Others who are not so fortunate, either because of the lack of skill or because of their indebtedness to the master weavers are just about surviving hand to mouth.

The urge to educate their children to better job opportunities and a better future, makes the weavers many a times go hungry but accept the wages provided by the co-operative societies or master weavers.

Therefore the weavers, wishing for a better success for their families are prepared to die with their artistry rather than pass on the burden of living to their children.

### **Design**

One of the challenges for handloom has been the design. Too complicated, and it is difficult for the weavers, especially Ikat to dye the silk yarn to perfection.

Also the ease with which the designs are being copied and replicated onto the printed sarees via the power loom is causing a decline in the demand for handloom sarees. The consumers are not finding the exclusivity of the designs as the same are being replicated on power loom and got for as low as Rs 600 – 1500.

While the difference can be seen visually from proximity and upon touch, the two sarees from a distance look alike. Furthermore, going by the responses of customers, it appears that the owners feel a loss of privilege when their house keeping maid wears a saree with a similar design when coming to work.

## **Silk Vs Cotton**

Silk is considered to be elite clothing and hence is purchased only occasionally and in small numbers. Cotton on the other hand, is purchased more frequently but is purchased at cheaper prices. Since the time spent in weaving a cotton saree is the same as that of a silk saree, comparing, we find that a weaver weaving a silk saree can earn up to Rs.10,000 per month, while cotton only fetches him approx. 3,000 per month. With this realization, the weavers therefore prefer to weave silk sarees only, while letting the power looms cater to the low costs of cotton saree production. Unfortunately however, with growing market share, the powerloom threatens to topple the handloom industry.

## **Cash Crunch**

Due to the excessive competition that weavers face from all fronts, i.e. handloom sarees weaved from other locations as well as the power looms, the margins maintained by the master weavers and other co-operative societies is very less. This prompts most of the master weavers to perform business only in cash transactions. Big enterprises purchase on credit and this structure does not make it viable for weavers to sell their sarees to such large and renowned one-stop-shop stores such as a Chandana or a Bommana Bros. Only a handful of those weavers who have the ability to withhold the business on up to a 90 day or a 180 day credit cycle find it viable to sell his merchandise to these large shopping complexes.

## **APCO Approach**

The Govt. of AP has tried its own approach by establishing APCO. However the institution can only boast of a small and steady sale of the silk sarees. One reason why it has not been able to capture the market share is the one-stop-shop approach followed by the large establishments such as Chandana and Bommana Bros that compete with APCO to sell Silk Sarees.

## **SOLUTIONS**

### **Awareness**

For years now, the Pochampally saree is renowned to be a pure silk saree for the poor. It is one of the very few locations to boast of pure silk sarees at very affordable prices.

However, the escalating Raw material costs seem to have worked against the weaving community of Pochampally and the stiff competition from the power loom and a lower dimension of hike in prices from other not so pure silk sarees, spells doom for the weavers as customers compare prices and feel cheated.

The solution therefore is to increase the awareness. This can be done so by running a campaign called **“Hand crafted to perfection”**

Through this campaign the following can be achieved.

### **1. Process awareness**

The customers must first understand the process of handloom especially that of the Ikat design and how carefully the weavers blend the colours and weave to get that perfect saree out. This brings awareness and makes customers appreciate the effort put in by the weavers and will urge the consumers to actually pay the right price for the saree.

This can be achieved by NGOs or government organizations, by preparing a short documentary on the process, and depicting a regular day of a handloom weaver.

### **2. Art not a Profession**

The customers must be made to perceive handloom saree weaving, especially the Ikat process of first dyeing and then aligning the threads to the weave carefully, as an art rather than just as a saree business or a profession.

Along with the documentaries, advertisements or taglines such as below help improve the worth of handloom and hopefully make the customers want to come out the nutshell and actually flaunt their handloom sarees with a sense of pride

***“Not just loomed... rather Hand crafted to embrace the occasion”***

***“Because you don’t just wear... you flaunt this masterpiece”***

### **3. The touch of the Handloom**

As noticed during our field trips, the handloom weavers do not use the handloom symbol which was designed as part of the government’s efforts to revive the industry. The reason stated is that it makes no difference as customers do not pay so much attention on this registered trademark.

With all the advertising about handloom as an art (above), it is quite likely that the handloom symbol on the saree becomes more than just a symbol. It is expected to become a mark of quality, the mark of an artist, and the mark of hope for the dying handloom industry.

This suggestion is similar to the standards such as BIS – 916 hallmark used for identifying the purity of gold when purchasing, and the urge for gold despite the availability of fakes and rolled gold/ plated gold jewellery.

It is therefore imperative that the handloom symbol also be weaved in a particular corner of the saree as a hologram or an indication that signifies artistry. It also requires immense support from the government to strictly govern the usage of the handloom mark. Thus ensuring clear differentiation between a hand-loomed and power-loomed sarees.



#### 4. Society Interaction

Another good way to bring awareness among the people is to engage them in various activities of handloom, especially in the design creations. The idea is to invite the artistic women, especially home makers to share the designs which they believe should be embroidered on a saree.

The incentive for the women, especially home makers to win attractive prizes can prompt the women to share exquisite designs.

It can be seen as a win-win situation where the homemakers can earn prizes/ sarees in addition to the reputation by letting their creative hats out during their past time. At the same time, the weavers can also benefit by weaving trendy sarees with the latest design to stay in business.

**Note:** The need for trendy designs was specified by the young respondents between the age group of 21 – 35 surveyed on behalf of the weavers to understand the consumer behaviour of what customers want.

With the population in India and the average age trending towards a younger population, it is therefore necessary to keep in mind the demands of this “trendy” population.

### Online Marketing

With global online sales reaching 1.22 trillion [\[1\]](#), the e-commerce industry is set to reach dizzying heights in the near future. India has also seen a rise in online shopping with number of online users reaching over 19 million and the increase in internet penetration is likely to help sales reach about Rs.38 million by 2015 growing at a CAGR of 39.5 percent.

Also because of the competition from the various One-stop-shop stores, the government undertaking to support Pochampally weavers - APCO fabrics can better utilize the brand identity to increase its online sales through marketing. This may be the only best option to cater to consumers from different parts of the world and attract consumers from one of these one-stop-shops such as Chandana Bros, Bommana Bros, South India shopping mall etc.

Based on the analysis the below are the estimates

1. **Pochampally/ Pochampally:** searched about 5 times a day at as low as Rs. 2 -5 per click
2. **Sarees:** Searched about 15 times a day
3. **Sari:** Searched about 20 times a day
4. **Buy Sarees online :** Searched about 10 times a day
5. **Wedding Sarees/ Wedding saris:** Searched approximately 20 times.

Based on our Analysis, the government undertaking/ private Master weavers can expect about 4 – 5 website clicks per day. Considering competition and the time taken to select the silk saree, it can be assumed that renowned weavers or APCO can sell one saree in 3 days or 2.5 per week, which accounts to about 10 - 12 sarees per month considering seasonal purchasing.

The average price of a Silk saree is approximately Rs. 6,000 which in large one-stop-shops or designer stores sell for at least as much as Rs. 8,000 – 10,000. Considering a similar profit margin for Silk sarees from APCO, the excess of 2000 per saree, part of which could be shared with the weavers to help increase their per capita income as it can possibly generate revenues of approximately 1 – 1.5 lakhs per month, with an investment of as low as Rs. 500 per month.

Also as per our discussion, master weavers are also willing to invest in digital marketing as long as they see steady flow of orders. It is therefore definitely a good option to explore, atleast as a trial for a short period of about 1 – 2 months, to gauge the online demand and purchase of silk sarees.

### **The Challenge**

The Challenge with this kind of approach is the right depiction of colours of the saree because, owing to technological challenges, the colours in real life may not be exactly captured and portrayed by a camera and a computer. Also People usually try out sarees before purchasing. This was also echoed by the respondents of the survey. Almost all of the people suggested the need to visit a store to purchase a saree.

While tastes and preferences of this ever changing world may change over the period of time, in the meanwhile APCO may have to enhance its online marketing by the use of such models like “Try Me, buy me” followed by Myntra, where in consumers can actually try out a saree at home before purchasing it.

### **Government officials**

#### **Mandate**

The Telangana/ AP Government, as a mandate must encourage its officials and representatives to purchase Handloom from locations like Pochampally/ Gadwal and Chirala to promote demand for handloom sarees and dhoti's.

This is in line with the mandates of companies like Maruti, who allow users to travel only in their cars or the Tata's that emphasize on promoting their own goods among the Tata conglomerate. Also

since dhotis are usually plain and take lesser time to weave, the weavers can enhance their living standards by charging more premiums on the dhotis.

The Government can facilitate this by having APCO stalls installed in government offices. This will help increase the sales of handloom sarees and dhotis due to both the convenience of purchasing at the workplace as well as to capitalize on the urge for consumers to purchase one.

This shall help increase the demand for local silk sarees thereby ensuring better prices for the weavers.

## **Incentives**

To further promote demand for the silk sarees, the Government can strive for providing government employees with handloom sarees and dhoti's as gifts for its employees.

This helps not only the advertising for handloom sarees such as that of Pochampally but also increases employee work satisfaction of the employees.

Currently the co-operative society workers obtain a 10% discount and the government loses out another 20% due to offers established by APCO. This essentially leads to approximately 500 rupees spent on subsidies per saree and another Rs.1500 opportunity lost because of offers provided by APCO.

Instead of spending crores of rupees in subsidies and on lost opportunities, the government can indirectly revive the industry by utilising the Rs.2000 lost on a saree to gift its employees with handloom clothing, thereby increasing demand for handloom as well as satisfaction for its employees.

## **Tourist destinations**

The fact that Pochampally has gained Geographical Indication (GI) status could be utilized to the best advantage, with Master weavers/ APCO having stalls at various tourist destinations such as Ramoji Film city or Charminar or Golkonda fort in Hyderabad, Warangal fort etc.

This is in an effort to attract the scores of visitors who visit such locations daily. Enthusiastic shoppers who are running a tight vacation schedule and/or are unaware of the significance of Pochampally sarees can purchase them on the go as they tour the city.

The proximity of Pochampally to these scenic destinations calls for a small transport cost as compared to the quantity of sarees that can potentially be sold.

## **Exhibitions**

The Government of Telangana/ AP can conduct exhibitions and expos both of the sarees as well as that of the weaving process at the state as well as the national level.

Based on past data, it is expected that the entire exhibition can cost up to 40 lakhs per expo. Where approx. 20 lakhs is the expense relating to rent stall, infrastructure, and the remaining 5 lakhs can be used for electricity, and the remaining 15 lakhs for advertising purposes.

Organizing up to 10 such exhibitions both in the state and worldwide, especially before the festival and during marriage season, while incurs the state an investment of about 5 crores, can be of great assistance to push the handloom industry forward and gain traction to sustain the handloom weavers.

This benefits the industry in the long term and the industry need not rely on government subsidies and grants for survival.