

# An Empirical Study on Marketing of Handloom Fabrics in Andhra Pradesh (A Case Study with reference to Guntur District)

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**Abstract:** *Objectives: To understand and study the Marketing Practices adopted by the Handloom industry in Andhra Pradesh with special reference to Guntur District. Method: Marketing of handloom products became very difficult because of changing tastes and preferences of customers, tough competition from power loom fabrics, lack of support from the government and other reasons. An exploratory research design is applied to evaluate the Marketing procedures and practices in the study area. Result: A random sample of 100 respondents (Handloom Marketers) in various mandals of Guntur District are identified and issued structured questionnaire to collect primary data. Appropriate statistical tools are applied to analyze the data. From the study it is observed that Majority of the marketers have an annual turnover of below Rs 25 lakhs in the study area. 67% of the respondents their own funds to run the business, 11% of the respondents depends on banks, 10% of the respondents borrowing loans from relatives and friends as their source of finance in the study area. The expected profit is only 10% on handlooms in the study area and Cost is the base for price fixation in the study area. Conclusion: The handloom sector / the non-farm sector has prone to decline trend over the years. Handloom marketers are facing severe marketing problems due to the in adequate government assistance, globalization, Competition from power loom products and change in customer preferences towards clothing. The government schemes are enough to uplift the handloom industry. It is felt that the innovative designs of the handloom products with unique skills of handloom weavers can improve the sales of handlooms.*

**Key Words:** Handloom Industry, Handloom Weavers, Marketing, power loom fabrics, Primary, Secondary data, Simple random sampling method, Statistical analysis.

## I. INTRODUCTION

Handloom industry is one of the major decentralized traditional industries. It plays a vital role in rural economy spread over in the nook and corners of the Indian sub continent. The primary occupation of the people in the rural belts of the state of Andhra Pradesh is restricted to agriculture farm. The weaving occupation has no less significant in its potentiality to embrace the rural lot as a basic live hood source

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by generating extant employment opportunities. It is correlated with prominent communities like Devanga and Padmasali in addition to some sub associated communities like Kamasali, Kaikala and Thogata. There are about 3,20,000 handlooms in operation of which most of the handlooms are scene in costal Andhra Pradesh. There are more than 5 lakh families have direct involvement and 20 lakh families indirectly involved and depend on the Handlooms. Most of the handlooms are located in Coastal area of Andhra Pradesh. The establishment of Andhra Pradesh Handloom Weaver's Cooperative Society Ltd. (APCO) was formed with an objective to provide assistance and extends services in the supply of raw materials like yam, dyes, chemicals, etc., and arrange necessary facilities for the marketing of handloom products. It was the remarkable event in the history of handlooms in the state of Andhra Pradesh. The State of Andhra Pradesh is stands for its shirting fabrics, block-printed fabrics and made-ups, tie-dye materials known as I-kat and saries, lungees, Batik prints, Kalamkar prints etc. Most of the Marketing functions are being undertaken by different categories of weavers and number of marketing cooperative societies. They also support for both the domestic and foreign marketing services. There are some organizations such as NHDC, Association of Corporations, ACASH, MDA etc.. that protects the interests of handloom weavers, providing opportunities to market their products, save them from the clutches of the middlemen and improving the standard of living by providing enough employment opportunities and facilities to them to market their products at competitive prices.

## OBJECTIVES OF THE STUDY

1. To review the status of handloom industry.
2. To study the business related information of handloom marketers
3. To analyze the marketing of handloom fabrics.
4. To offer suitable suggestions for the development of handloom industry in general and marketing of handlooms in particular.

## II. RESEARCH METHODOLOGY

### Need of the Study

In these days, Handloom industry has facing numerous problems in the area of raw materials, marketing, finance and competition. The industry is primarily dominated by powerlooms and mill made products faces an acute competition. Consequently, the handloom weavers left



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with multiple problems such as low revenue, Lack of support from Government and its allies, Victimization / Unfair practices of middleman, non availability of updated skill development techniques, severe competition from Power looms and other mill made products etc...

In view of this, the present study attempts to understand the progress of handloom industry in Andhra Pradesh and also to analyze the above said problems related to the handloom weavers. Identified problems of both the handloom and industry and handloom weavers in spite the scholar and necessitated to share and focus the study.

**Scope of the Study**

The study broadly examines the marketing of handloom fabrics in the selected mandals of Guntur District. In this direction the need of the study on the marketing of handlooms is being substantiated.

**Source of data:** The data is collected from two sources (i) primary data and (ii) secondary data.

**Primary Data:** 1) Questionnaire; A Structured questionnaire has been issued to the selected sample of 100 respondents (Handloom Marketers) in various mandals of Guntur District. Personal interview is also used and gather the first hand information.

**Secondary Data:** The Secondary data for the study has been collected using Published reports by the government, Published research papers in the reputed journals, books, thesis and dissertation and also the Popular websites related to the Handlooms.

**Sample Size**

A Sample of 100 respondents (handloom marketers) drawn from the selected mandals of Guntur District.

**Statistical Analysis**

Percentages, Cross-tabulation and Chi-Square test are applied to analyze the data and to derive the valid interpretations.

**Area of Study**

This study was confined only to the handloom marketers in the selected mandals of Guntur District.

**Limitations of the Study**

1. The study is essentially a micro level limited to the aspects of the handloom marketers.
2. The information being related to the marketing of handloom fabrics through the questionnaires of the handloom marketers may not be obtained intact.
3. The personal opinions and expressions of the marketers also limits the present study as it was totally based on their experience with the societies.

**III. STATISTICAL ANALYSIS**

There are nearly 25,000 looms in the district and nearly 90 working Handloom Co-operative Societies are functioning there at present. Apart from the cooperative societies, a good number of Master Weavers and the traders are promoting and selling the handloom fabrics in the study area.

**Table – 1  
Classification of Sample Marketers**

	Frequency	Percent
Master Weaver(M.W)	34	34.0
Trader	51	51.0
Cooperative Society	15	15.0

	Frequency	Percent
Master Weaver(M.W)	34	34.0
Trader	51	51.0
Cooperative Society	15	15.0
Total	100	100.0

Source: Primary Data

In the study area, marketers are classified into Master Weaver, Cooperative society and Trader. From the sample of 100 marketers from the study area (Guntur District), 51% (51) of the marketers are traders, 34% (34) of the marketers are Master weavers and 15% (15) of the marketers are cooperative societies. This indicates that most of the handloom business is done by the Traders and master weavers followed by the Cooperative Societies in the study area.

**Association between category of marketer and the annual turnover**

H<sub>0</sub>: There is no significant association between the category of marketer and the annual turnover.

H<sub>1</sub>: There is a significant association between the category of marketer and the annual turnover.

**Table – 2: Chi-Square Test**

	Value	df	Asymp. Sig.
Chi-Square	18.288 <sup>a</sup>	6	.006
LH Ratio	14.862	6	.021
Linear-by-Linear Association	4.562	1	.033
Number of cases	100		

The Pearson Chi-Square value is 18.288 and the P Value is 0.006 Since 0.006 < 0.05, Reject H<sub>0</sub> i.e., accept H<sub>1</sub> at 5% Los. Hence there is a significant association between the category of marketer and the annual turnover.

**Association between category of marketer and the source of finance**

H<sub>0</sub>: There is no significant association between the category of marketer and the source of finance.

H<sub>1</sub>: There is a significant association between the category of marketer and the source of finance.

**Table – 3: Chi-Square Test**

	Value	Df	Asymp. Sig.
Chi-Square	104.611 <sup>a</sup>	18	.000
LH Ratio	89.329	18	.000
Linear-by-Linear Association	20.027	1	.000
Number of cases	100		

The Pearson Chi-Square value is 104.611 and the P Value is 0.000 Since 0.000 < 0.05, Reject H<sub>0</sub> i.e., accept H<sub>1</sub> at 5% Los. Hence there is a significant association between the category of marketer and the source of finance.

**Association between category of marketer and the fabric handled**

H<sub>0</sub>: There is no significant association between the category of marketer and the fabric handled.



H<sub>1</sub>: There is a significant association between the category of marketer and the fabric handled.

**Table – 4: Chi-Square Test**

	Value	df	Asymp. Sig. (2-sided)
Chi-Square	79.720 <sup>a</sup>	4	.000
LH Ratio	75.558	4	.001
Linear-by-Linear Association	13.106	1	.000
Number of cases	100		

The Pearson Chi-Square value is 79.720 and the P Value is 0.000

Since  $0.000 < 0.05$ , Reject H<sub>0</sub> i.e., accept H<sub>1</sub> at 5% Los. Hence there is a significant association between the category of marketer and the fabric handled.

**Association between category of marketer and source of raw material**

H<sub>0</sub>: There is no significant association between the category of marketer and source of raw material.

H<sub>1</sub>: There is a significant association between the category of marketer and source of raw material.

**Table – 5: Chi-Square Test**

	Value	Df	Asymp. Sig. (2-sided)
Chi-Square	66.219 <sup>a</sup>	12	.000
LH Ratio	58.130	12	.000
Linear-by-Linear Association	15.010	1	.000
Number of cases	100		

The Pearson Chi-Square value 66.219 and the P Value is 0.000

Since  $0.000 < 0.05$ , Reject H<sub>0</sub> i.e., accept H<sub>1</sub> at 5% Los. Hence there is a significant association between the category of marketer and source of raw material.

**Association between category of marketer and margin of profit**

H<sub>0</sub>: There is no significant association between the category of marketer and margin of profit.

H<sub>1</sub>: There is a significant association between the category of marketer and margin of profit.

**Table – 6: Chi-Square Test**

	Value	df	Asymp. Sig. (2-sided)
Chi-Square	6.058 <sup>a</sup>	4	.195
LH Ratio	7.100	4	.131
Linear-by-Linear Association	.274	1	.600
Number of cases	100		

The Pearson Chi-Square value 6.058 and the P Value is 0.195  
Since  $0.195 > 0.05$ , Accept the H<sub>0</sub> at 5% Los. Hence there is no significant association between the category of marketer and margin of profit.

**Association between category of marketer and method of pricing**

H<sub>0</sub>: There is no significant association between the category of marketer and method of pricing.

H<sub>1</sub>: There is a significant association between the category of marketer and method of pricing.

**Table – 7: Chi-Square Test**

	Value	Df	Asymp. Sig. (2-sided)
Chi-Square	38.817 <sup>a</sup>	18	.003
LH Ratio	33.322	18	.015
Linear-by-Linear Association	3.369	1	.066
Number of cases	100		

The Pearson Chi-Square value 38.817 and the P Value is 0.003

Since  $0.003 < 0.05$ , Reject H<sub>0</sub> i.e., Accept H<sub>1</sub> at 5% Los. Hence there is a significant association between the category of marketer and method of pricing.

**Association between category of marketer and preferred tool for promotion**

H<sub>0</sub>: There is no significant association between the category of marketer and preferred tool for promotion.

H<sub>1</sub>: There is a significant association between the category of marketer and preferred tool for promotion.

**Table – 8: Chi-Square Test**

	Value	Df	Asymp. Sig. (2-sided)
Chi-Square	26.087 <sup>a</sup>	16	.049
LH Ratio	27.388	16	.037
Linear-by-Linear Association	4.386	1	.036
Number of cases	100		

The Pearson Chi-Square 26.087 and the P Value is 0.049  
Since  $0.049 < 0.05$ , H<sub>0</sub> i.e., accept H<sub>1</sub> at 5% Los. Hence there is a significant association between the category of marketer and preferred tool for promotion.

**Association between category of marketer and sales promotional activities adopted**

H<sub>0</sub>: There is no significant association between the category of marketer and sales promotional activities adopted.

H<sub>1</sub>: There is a significant association between the category of marketer and sales promotional activities adopted.

**Table – 9: Chi-Square Test**

	Value	Df	Asymp. Sig. (2-sided)
Chi-Square	39.270 <sup>a</sup>	20	.006
LH Ratio	39.139	20	.006
Linear-by-Linear Association	3.258	1	.071
Number of cases	100		

The Pearson Chi-Square 39.270 and the P Value is 0.006



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Since  $0.006 < 0.05$ , Reject  $H_0$  i.e., accept the  $H_1$  at 5% Los. Hence there is a significant association between the category of marketer and sales promotional activities adopted.

### Association between category of marketer and provision for online sales

$H_0$ : There is no significant association between the category of marketer and provision for online sales.

$H_1$ : There is a significant association between the category of marketer and provision for online sales.

**Table – 10: Chi-Square Test**

	Value	Df	Asymp. Sig. (2-sided)
Chi-Square	1.144 <sup>a</sup>	2	.564
LH Ratio	1.184	2	.553
Linear Association	.033	1	.856
Number of cases	100		

The Pearson Chi-Square 1.144 and the P Value is 0.564. Since  $0.564 > 0.05$ ,  $H_0$  at 5% Los. Hence there is no significant association between the category of marketer and provision for online sales.

### Association between category of marketer and range of competition from power loom fabrics

$H_0$ : There is no significant association between the category of marketer and range of competition from power loom fabrics.

$H_1$ : There is a significant association between the category of marketer and range of competition from power loom fabrics.

**Table – 11: Chi-Square Test**

	Value	df	Asymp. Sig. (2-sided)
Chi-Square	14.838 <sup>a</sup>	6	.022
LH Ratio	16.098	6	.013
Linear-by-Linear Association	.854	1	.355
Number of cases	100		

The Pearson Chi-Square value is 14.838 and the P Value is 0.022.

Since  $0.022 < 0.05$ , Reject  $H_0$  i.e., accept  $H_1$  at 5% Los. Hence there is a significant association between the category of marketer and range of competition from power loom fabrics.

## IV. FINDINGS

There are not enough facilities to market the handloom products in the study area. The present study includes:

- Most of the marketers in the study area are traders, followed by Master weavers and are cooperative societies.
- Majority of the marketers have an annual turnover of below Rs 25 lakhs in the study area.
- 67% of the respondents their own funds to run the business, 11% of the respondents depends on banks, 10% of the respondents borrowing loans from relatives and friends as their source of finance in the study area.

- Respondents in the study area are marketing the handlooms Sarees, Dress material shirting, dhotis, Lungies, towels and bed sheets.
- Mostly the marketers purchase raw material from local market, in the study area.
- Most of the marketers in the study area opined that the demand for handlooms is seasonal.
- The expected profit is only 10% on handlooms in the study area.
- Cost is the base for price fixation in the study area.
- Direct marketing, Personal selling, Advertising, Publicity and Public relations are the preferred promotional tool in the study area.
- Quality, Discounts, Offers are the tools of sales promotion in the study area.
- Most of the Marketers opined that there is no provision for online sales in the study area.
- The competition from Power loom and mill made products is very high in the study area.

## V. SUGGESTIONS

- It is suggested to improve the promotional activities for handloom fabrics in the study area to increase the sales.
- Further, the government has to take initiatives to improve the marketing facilities for handloom products.
- It is further suggest the government to provide update technology to strengthen handloom weavers to stand on par with the power looms and other mill made products.
- The Banks and other financial institutions must also initiate for the grant of financial assistance to the handloom marketers at low rate of interest.
- Organize handloom exhibitions and melas as a part of promotion activity to uplift the marketing of handloom fabrics.
- It is further suggested to initiate steps for the export of handloom products to other countries.
- Further the government has to revitalize the welfare services to handloom weavers by launching workshops, seminars, free health insurance, health checkups, education for children, training & capacity building, skill development centers so that the quality of the output will be increased.
- Also the state and central governments has to take initiatives to reduce the impact of power loom products on handlooms.
- It is very much necessary to eliminate the middleman and strengthen the co-operative societies.

## VI. CONCLUSION

The handloom sector / the non-farm sector has prone to decline trend over the years. Handloom marketers are facing severe marketing problems due to the inadequate government assistance, globalization, Competition from power loom products and change in customer preferences towards clothing. The government schemes are enough to uplift the handloom industry. It is felt that the innovative designs of the handloom products with unique skills of handloom weavers can improve the sales of handlooms. Thus



handlooms stands an integral part of the heritage and symbolizes the richness and diversity of incredible India. Concerted efforts have to be made through the schemes and programs for the impetus of production, productivity, and marketing facilities for handloom products. So that the conditions of the handloom marketers expect to raise.

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