

## 2 Introduction

### 2.1 Aims of the research project

*E-commerce options for craft producers* is a research project funded by the UK Government Department for International Development (DFID).

The study is being conducted during August 2000-March 2002 to determine if and how craft producers in less developed countries can take advantage of the Internet and e-commerce to sell their goods and so benefit their families and communities.

There has been much hype and exaggerated claims regarding the Internet and its likely impact on all our lives. Recent history has shown that while some companies and organisations have successfully created new ways of working and conducting business, many companies to date have found that e-commerce, for a variety of reasons, has failed to deliver actual sales of their products or services in any significant quantity. Even the largest and best known Internet companies, such as the bookseller and general trader Amazon ([www.amazon.com](http://www.amazon.com)) and the portal Yahoo! ([www.yahoo.com](http://www.yahoo.com)) have yet to make a profit.<sup>1</sup>

Given this background, the study looked at both new business opportunities created by the Internet for craft producers, as well as how Internet and related technology can enhance existing supply chains, making key stages more efficient.

### 2.2 Methodology

The research project aimed to focus the main part of its activities on capturing the experiences to date of actual producers in India and Bangladesh; to assess their felt needs, and to present groups with options to enable them to use the Internet and e-commerce for sustainable development of small businesses. While the research necessarily also involved a number of existing 'Northern' UK/US trading organisations, the research was not focused on their institutional needs, but on those of the producers themselves.

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<sup>1</sup> For the first three months of 2002, Yahoo reported a net loss of \$53.7m (£37.4m), its sixth straight quarter of losses. BBC News report April 10 2002. See: [http://news.bbc.co.uk/low/english/business/newsid\\_1922000/1922246.stm](http://news.bbc.co.uk/low/english/business/newsid_1922000/1922246.stm). Amazon lost \$23 million in the period Jan-March 2002 (compared with a loss of \$234 million in the same quarter in 2001). BBC News report April 23 2002. See: [http://news.bbc.co.uk/hi/english/business/newsid\\_1947000/1947069.stm](http://news.bbc.co.uk/hi/english/business/newsid_1947000/1947069.stm).

The research plan allowed producers to feedback at key stages. The research intended to be enabling of these groups, and aimed to present options to empower them with appropriate and locally-owned technology.

The project followed the following timetable:

Literature survey	Sept - Nov 2000
Collaborative setting of terms of reference	Sept – Dec 2000
Research and interviews with key US/UK organisations ATOs (Alternative Trading Organisations)	Oct 2000 – Mar 2001 Visit Mar 4-13
Consultation/workshops 1 with collaborators and producer groups in India and Bangladesh	April – May 2001
Collaborators survey producers India: research email options Bangladesh: research design options	May – October 2001
Workshop at IFAT (International Federation for Alternative Trade) conference, Tanzania to present draft options	June 2001
Consultation/workshops 2 for dissemination with collaborators and producer groups in India and Bangladesh. Dissemination of final report.	Sept 2001 – March 2002

**Figure 1 Research project timetable**

The first consultation/workshops in India and Bangladesh were conducted with a representative sample of individual artisans to gather producers own perceptions of the Internet and e-commerce, and their business needs. As part of the consultations, focus groups were used for producers to map out their own business activities and models, as a way of capturing how they perceived the Internet could bring benefits to them. The details of this process are recorded in section 5.