5 Field research and visits

5.1 Workshops in India and Bangladesh

The producer 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, various participatory exercises were used with producers to gather the producers views. These included focus group discussions, mapping out their own business activities, modelling their business, and design exercises (with and without computer assistance). These exercises were designed as a way of capturing perceptions and identifying information and resource flows. The various models were used to discuss the Internet and the possible benefits to them. The details of this process are recorded below.

Group Exercise 1

Producers were asked to bring a sample of their work to the meeting. The presentation of their work to the rest of the group gave them an opportunity to present their business – people working, skills available, range of products etc.

Group Exercise 2

Modelling the business.
This exercise considered information flows in business

After the introductions, using their products as a starting point, the groups were asked to build a model of their business. The idea of this exercise was to model and discuss the material and information flows for taking a product from raw material to final market. The group used their own products and other materials available to illustrate the parts of the business. This has been summarised below. Figures 14 and 15 show the models created by producers in India and Bangladesh.

Photos: Producers at the workshop in Dhaka, Bangladesh used their own products to build a model of their business activities. Key stages in the process were described in Bangla on separate sheets of paper (see below).

The key points the model brought out concerned the information flow surrounding the purchase of raw materials for making the product and that this was actually an interactive process. The producers haggled with the tradesmen about the price, they insisted on seeing the materials, and they could specify what they wanted. If the product then turned out to be bad (a tree trunk that was rotten inside), they could return with the bad product and negotiate. This discussion was important for increasing understanding of how their own products are perceived by consumers and the need for interaction between consumer and seller.

This led on to a discussion about how far the producers are from their eventual customers, and how they do not have sufficient feedback.

The discussion included acknowledging that the producers often created items that they liked without due consideration of the tastes of the consumers. One or two suggested that they looked at magazines to see what people liked, but that often the magazines were quite old.

Regarding the supply side, producers noted the expense of sending samples and getting feedback from the ATO. They often sent photos and these proved to be a significant expense. The discussion progressed to explore the possible role of digital cameras and Internet cafes. The group identified the risk of designs being stolen through public Internet cafes.

As part of these discussions, producers also drew a map of how they thought the Internet could be used to buy and sell craft goods (Figure16).

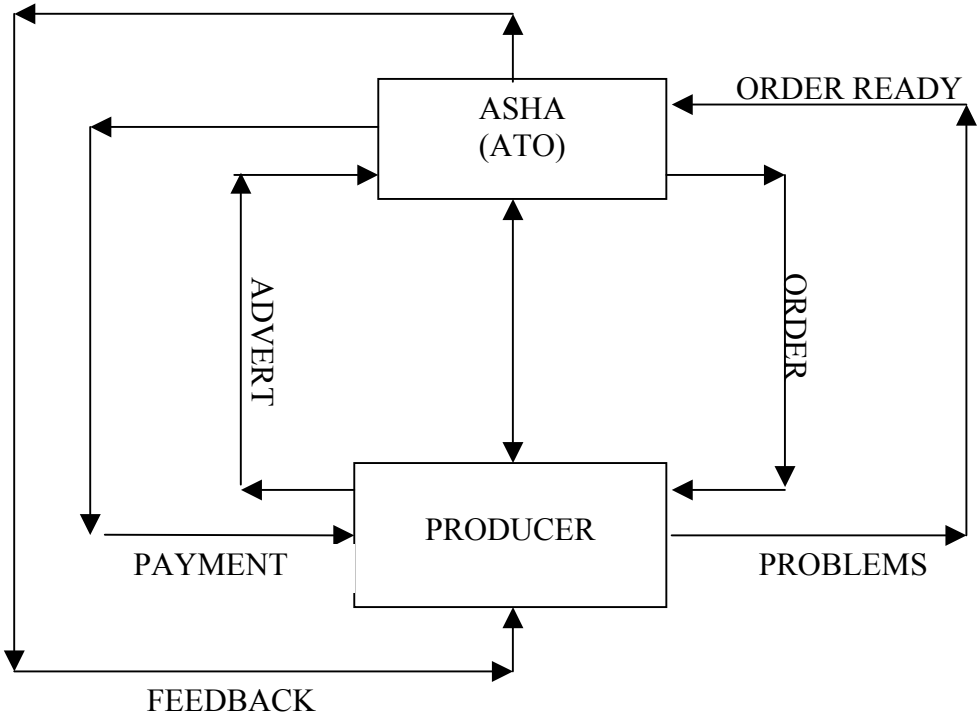


Figure 14 Information flow as mapped by producers during the workshop in Mumbai, India

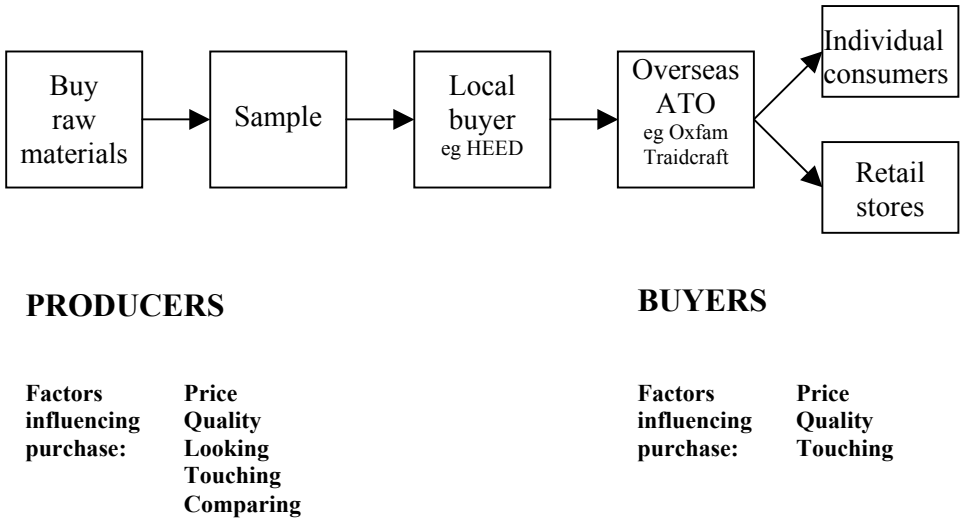


Figure 15 Production process, as mapped by producers at workshop in Dhaka, Bangladesh

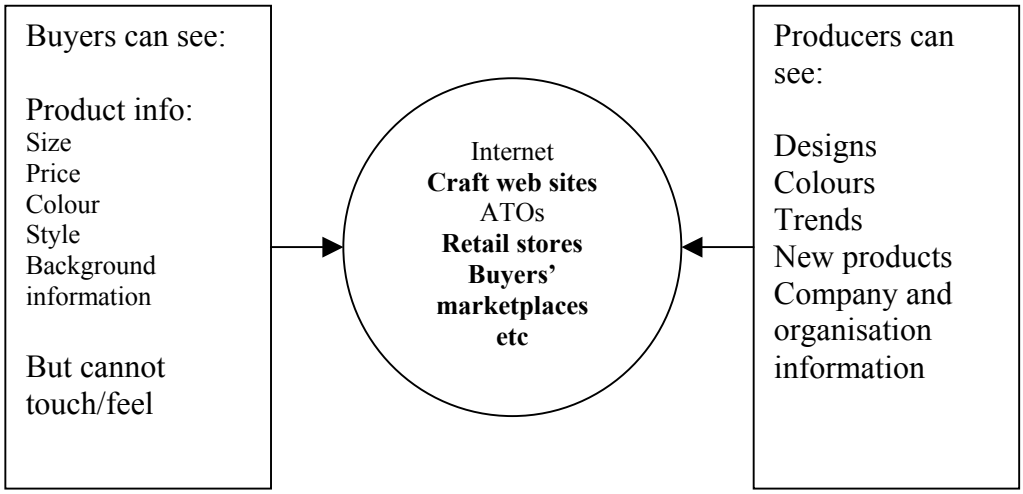


Figure 16 Producers' map of how the Internet can be used by producers and buyers to find information about handicraft products

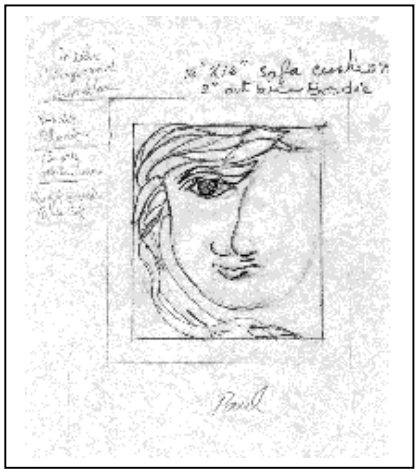
Group Exercise 3

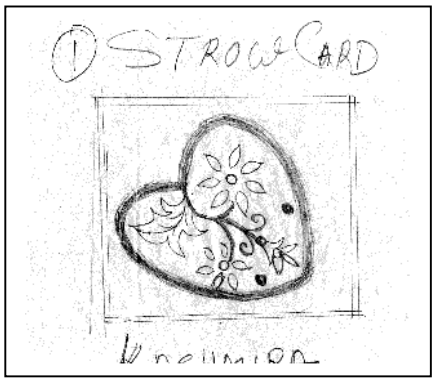
Design
This exercise evaluated the potential of a mediated design process using ICT.

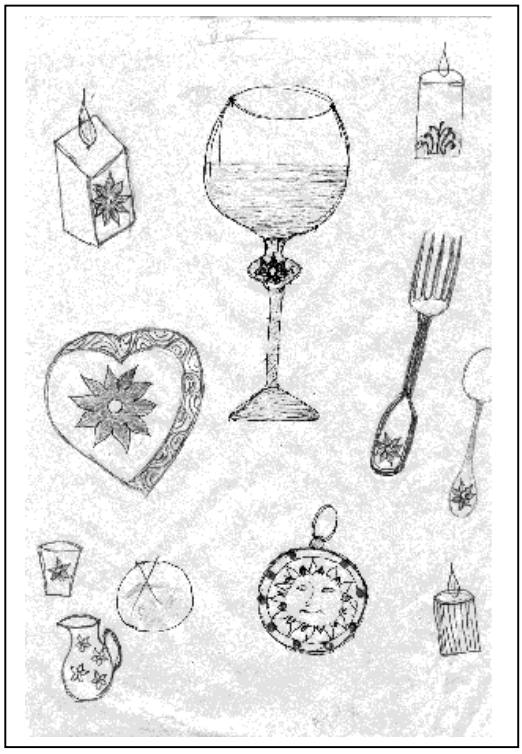
In Bangladesh the group was subdivided into five groups, each of about four persons. A magazine (same for each group) was given to three of the groups, while the remaining two were given access to a laptop computer. The magazine contained articles in English about London and some of the latest fashions. The groups were asked to look at the pictures and using them for inspiration they should sketch new or modified designs for their products.

The groups using the laptop were presented with many of the same pictures but with some confusing or misleading pictures removed. Each picture could be seen on the full screen. No text was offered. The group had the same challenge – to design or modify their products in the light of the pictures, in order to appeal to the London market. The results are shown on the following page.

Photos: Producers at the Dhaka workshop use British magazines to create new product designs. Some (immediately above) used a laptop computer to view the designs.







Group analysis noted that the groups with the magazines had sometimes been unable to determine what is fashionable and acceptable in London. An article about Japanese museum pieces had prompted Japanese styled Bangladesh products. While this might have some appeal to some people, the team reaction was not favourable.

The groups with the computers were able to focus their ideas and produced ideas that seemed to have a more acceptable market in Europe.

Group Exercise 4

Exposure to technology.

The groups were exposed to a wide range of ICT.

Hands on exposure to technology – many had never used digital cameras and computers – they identified information and communication needs and then were shown how the technology could address those needs.

Photo: Workshop with craft producers in Saharanpur, India

5.2 Conclusions

- The groups developed ideas about information flow.
- They were able to deduce and articulate that it was unlikely that consumers would purchase their products from the Internet alone.
- They noted that better communications across continents could lead to better feedback helping them develop better (more targeted and acceptable) products.
- They noted that they needed help with design. This seemed to be the most likely ICT intervention that would make an immediate impact on their business.
- Communication between ATO and producer could be enhanced by cheap digital means but there were commercial threats to using public communications (Internet cafes).

5.3 Internet/email access and cost of communications

Informal discussion during the workshops revealed that all producers paid a significant proportion of their overheads on communication costs:

- Local telephone calls
- Long-distance telephone calls (especially to ASHA or HEED)
- Sending/receiving faxes (orders, product information)
- Courier charges (postal service unreliable)
- Photography (of samples, to send to buyers)

Although only a few producers at each workshop had their own telephone or fax machine, almost all had access via a family member, neighbour or local phone/fax shop.

Discussions revealed that using email via the growing number of local Internet cafes (cyber cafes, telecentres, booths etc) may bring significant benefits in:

- **Reducing costs** for in-country communications (email access costs typically 25-30 rupees/hour; compared to typical fax charges of 10-20 rupees to receive a one-page fax; and 30-70 rupees to send a one-page fax). Greatly reduced costs for international communications

- **Improving record keeping** (automatic with email software)

- **Increased security** (although some producers were concerned about sending product and commercial information from a public Internet café)

- **Speed** (as compared to making telephone calls from booth-to-booth, where neither party has their own phone)

These issues were followed up with interviews with eight of ASHA's producer groups in India (see 5.4 below).

5.4 Field survey (India)

Following the workshops, interviews were conducted with eight producer groups of ASHA Handicrafts. The questionnaire and detailed reports are given in Appendix 9.2. The summary table and conclusions are reproduced here.[34]

Summary of data collected from ASHA Handicrafts producers by interview/questionnaire (Figure 17):

[34] This research project also included a short (two-page) global survey, by email, of on-line craft producers (located via search engines on the Internet). However this generated no replies. This may show that the targeted craft producers do not check their email, that the email addresses were out of date, or that this survey was considered as unsolicited email (spam) and deleted.

Name	**Sana**	**Gulam Ayaz**	**RC Marble**	**Designer H'crafts**	**Sharma**	**Ethnic India**	**Agape**	**Ashoka**
Products	Metal	Horn Bone Brass Wood	Stone	Cotton Textiles	Textiles	Board Bone Iron	Home Furnish-ings	Wood Metal Paper
Sales to ASHA $ pa	12,325	12,262	13,887	3,154	6,088	2,901	3,256	
No. workers	10-20	7-20	20-26	5-15	50	51-75	8-15	45-100
Men	10-15	7-16	18-23		40	46-70	6+	45-100
Women	0-5	0-4	2-3		10	5	2+	
Power Supply	Cuts daily. Has generator.	Runs gen. 4/hrs day	2-3 cuts/ day	Cuts for 2-3 hrs/ day	Cuts for 3/hrs day	Cuts for 4/hrs day	Sched. cuts	Cuts in Dec and Jan
Tel cost pa	Own tel for local calls	3,300rs local	8,623rs	12,000rs	120,000rs	15,000rs	2,250rsc	38,000rs
Fax cost pa	6,000rs	1,000rs	1,000rs	1,050rs	60,000rs		2,400rs	6,000rs
Mobile tel cost	No	No	No	No	12,000rs	No	24,000rs	No
Post/ Courier cost pa	12,000rs	2,400rs		2,860rs	36,000rs	4,500rs	7,000rs	12,000rs
Photo cost pa	400rs two sets	3,800rs	400rs	60rs	5,000rs	3,000rs	1,000rs	7,000rs
Own TV?	B/W	B/W	Bro has col TV	Col TV	Col TV	Col TV	Yes	Yes
PC?	No	No	Friend's son	Win98 cd-rom	Win98 ME	Plans to buy P3	No	Win98 Printer Scanner
'Expert' on hand?	No. Wants to train daughter	No. Wants to train daughter	Friend's son.	Brother	Employee	Will teach himself	No	Son
Local Email/ Internet?	No	No	Yes 25rs/hr	Yes 25rs/hr	Yes	Yes 30rs/hr	Yes 25rs/hr	Yes 25rs/hr
Aware of email/ Internet?	Email last month	Not until now	Yes	Yes	Own email address	Own email address	Own email address	Own email address

Figure 17 Summary of data collected from ASHA Handicrafts producers

5.4.1 Conclusions

- While only two producers have their own direct access to the Internet and email (via their own PC), six of the eight producers could access the Internet and email via local Internet cafes (for between 25 and 30 rupees/hour). Two producers had no local access.

- Four producers had someone in their business or family whom they regarded as a 'computer expert' to help with technical support. Three were planning to train themselves or a family member in this area.

- All producers spend significant sums on fax (up to 60,000 rupees/year) and long-distance telephone charges. Appropriate use of email could bring significant reductions in overheads, as well as offering increased speed, reliability and security.

- Although photography is not a major expenditure, all producers here used photographs to promote new designs in-country (especially to ASHA Handicrafts). Use of digital photographs and email in-country could save time, processing and courier charges; as well as offering low-cost promotional opportunities internationally (ASHA already uses email for this purpose). However producers noted that physical photographs were required for reference and for use by individual artisans.

- Only one producer had not heard of email. Four already had their own email addresses for business activities. One reported they had made savings on fax, telephone and courier charges.

5.5 Overview of e-commerce craft sites

As part of this research, we visited a number of UK and US e-commerce businesses specialising in the sale of crafts (in both the B2C and B2B markets). Other businesses and web sites have also been included in the overview. Fuller details are given in the appendices, see section 9.1. The conclusions of this overview are:

- Craft sales in the B2C sector (business to consumer) market have been disappointing. Among fair trade operators, the US ATO **PEOPLink** has achieved very low sales (and is now focussing on its CatGen system to enhance B2B (business to business) operations. The web site of UK ATO **Traidcraft** generated sales representing just 0.2% of overall sales, while US site **Viatru** (formerly **world2market**) closed during the course of this research. **Eziba** (USA), despite investment in excess of $40 million, like many e-commerce ventures, has yet to become profitable (and is increasingly exploring off-line channels). **Novica** (USA) is attempting to make direct selling of craft goods to consumers profitable (using a network of offices to consolidate orders) but has not disclosed sales data.

- Craft sales in the B2B market are more promising, if still undefined. Both **OneNest** (USA) and **PEOPLink**'s CatGen (USA) have set up B2B marketplaces. The level of **OneNest**'s actual sales is unknown, while it is still too early for CatGen (still at demonstration stage). The generic Asian B2B portal **Global Sources** reports that 18 per cent of suppliers advertising on their site had sold 'many orders' (but no breakdown is given by industry, product type or size of company, or by Return on Investment).

- Like the rest of the 'dot com' market, early optimism about the potential for craft sales on the Internet has given way to a more realistic assessment of the market. Increasingly e-commerce sites are using off-line marketing (conventional) methods to find customers: thus **OneNest** has moved towards print advertising, paper catalogues and exhibiting at trade fairs; while **Eziba** has found most success with its mailshot of colour catalogues (and is now planning to open its first retail outlet in New York).

- We also note that generally sites have been unwilling to disclose actual sales information, but have been willing to give relative data (eg sales comparisons with previous years). For these reasons hard data is hard to come by. The experience of individual producer groups we know of (eg collaborators in this research and others) suggests that actual sales are low.