Crisis of Handloom Units in Kerala and Tamil Nadu: An Empirical Study on the Problems and Challenges

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Abstract

The present study made an attempt to identify the major problems and challenges related with production, and marketing of the handloom industrial units in South India. The analysis on the problems experienced by the handloom units helps in the identification of the specific needs of this sector, as well as orient research and policy initiatives in a more focused manner. The study was based on the primary data collected from the sample handloom industrial units in South India. The study found that handloom products are getting wider popularity in the domestic and international market, but the handloom units are facing different problems in the area of production and marketing.

Keywords: Handloom Units, Weavers, Production Problems, Marketing Problems, Handloom Cooperative Societies

Introduction

The handloom sector has a unique place in the Indian economy and plays a vital role in terms of providing employment, cloth production, and value addition while at the same time, preserves India's rich cultural heritage. The sector provides direct and indirect employment to more than 43 lakh weavers and allied workers, mostly from the backward and minority community. The sector has been sustained by transferring of skills from one generation to another. The sector accounts for approximately 15% of textile production and makes a significant contribution in export earnings. Because of the uniqueness and exclusivity of designs, capability to produce small batch sizes and being eco-friendly fabric, handloom products are in high demand in the international market besides the domestic market and discerning retailers look for reliable source for constant supply of authentic handloom products on regular basis. However, the sector employs a large number of people and also contributes substantially to the export earnings of the country. Sarees, suits, skirts, dhotis, *lungies,* towels, shirt pieces, *sherwanis, kurta Paijamas,* jackets, caps, slippers, bed linens, table linens, cushion covers, curtain, bags and purses, carpets, mats, file covers etc. are the major handloom products in India.

Statement of Problem

The handloom industry has its presence in many states of India. At the same time, this traditional industry of India is concentrated mainly in seven states. Assam, with more than 37.9% of the total handloom work force has the largest concentration of handloom weavers followed by West Bengal (18%). The southern states of Andhra Pradesh and Tamil Nadu come at third and fourth positions respectively with a little more than 08% in both the states. Kerala enjoyed a dominant position in handloom production arena in India. Until just a few years back, Kerala was at the fourth position in handloom production after Andhra Pradesh, Tamil Nadu, and Uttar Pradesh. Till 1995, around five lakh people were employed in this sector. But recently the position has changed significantly. Now, the state of Kerala occupies only the 14th position in India in terms of number of looms. Currently, the handloom industrial units in the State are destined to face numerous problems in different areas of its working viz., production, finance and marketing. The number of workers in the handloom sector dropped to 14,679 including 3344 allied workers (Handloom Census of India, 2009-10). Many of the units in the state are forced

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to close down their operations due to various problems. The numbers of weavers, number of looms, and number of handloom weavers' cooperative societies have come down over the years. Therefore, the handloom industry in Kerala lost much of its past glory during the last few years. However, the demand for the handloom products in the state is not declining. Handloom sector in the state is also facing encroachment of power looms product items from the state of Tamil Nadu camouflaged as handlooms.

In contrast to this situation, the handloom sector in Tamil Nadu has not only survived but also grown in certain regions over the decades. Tamil Nadu has several popular weaving centres with specific varieties of handloom cloth weaving. Handloom is one of the largest economic activities in Tamil Nadu which employs about 3.52 lakh people including 90144 allied workers (Handloom Census of India, 2009-10). Now, Tamil Nadu is the Third largest handloom industrial state in India after Assam and West Bengal. At the same time, the number of power looms, and shift of handloom weavers to power looms have increased in the State. This has resulted in, the power loom weavers, disguising themselves as handloom weavers, grabbing opportunities meant for handloom sector, including the designs, variety, exemptions from excise and sales duties etc. This has gone to the extent that power loom cloths going for export camouflaged as handloom cloths. Owing to productivity differences, the prices of power loom products are naturally lower and so consumer preference for power loom cloths are higher. Therefore, handloom weavers leaving handlooms for employment in power loom sector and other occupations is widely noticed in the state. It is against this background, an in-depth investigation on the problems and challenges of the handloom industrial units in both the states becomes relevant and useful. Hence, the present study has been undertaken.

Review of Literature

It has been observed that the handloom production showed a declining trend over the past 10 years. It has been stated that the co-operative societies failed to ensure regular supply of yarn to weavers and were often dominated by a few individuals (Greeshma, 2001). The study revealed that the reservation policy introduced by the government actually benefited the power loom units than handloom units. Competition from power looms, non-availability of sufficient quantity of hank yarn, absence of planning in the implementation of welfare schemes, and problems related to conversion of pit looms into frame loom are the other major issues prevailing in this sector (Kanakalatha & Syamasundari, 2001). It was found that there is good prospects for handloom industry in Kerala during the post-globalisation period, which is evident in the increase in handloom export from Kerala during that period (Ajithan, 2006).

The study emphasised the need for implementing effective management information system (MIS) in this sector and the importance of producing value-added products like garments and suggested that the handloom sector should concentrate on those fabrics which require the artisan and handcrafted work and low count yarn products which other sectors cannot produce and leave the production of plain finer cloth to power loom which can be economically produced by their operational efficiency (Lahori, 2006). It has been stated that due to obsolete technology and competition from mills and power looms, the handloom sector is incurring continuous loss. The management of the societies is not sound, and the financial and operational efficiency are poor (Selvaraj, 2007). The crisis in the handloom sector started due to the entry of power looms and textile mills into the market making the demand driven market for handlooms to supply driven market (Pillai, 2007). It has been found that the right kind of investment includes developing appropriate infrastructure, designing suitable production technology, capacity building across the production-marketing value chain and strengthening institutions that can ensure producer equity (Seemanthini, 2007). The handloom co-operatives in Kerala are in the grip of a crisis in terms of economic indicators such as production, marketing and finance; and depend heavily on the budgetary support of the government for their survival (Sureshkumar, 2008). The study found that health hazards, low and irregular wages, shortage and untimely supply of raw materials, low status in the society etc are the major problems faced by the members of the co-operative society. The co-operative societies are facing problems like poor marketing facilities, poor performance, low income, and hold of financially sound master weavers over weavers (Sivagnanasithi, 2008).

The improved performance of the restructured co-operatives is evident from the rise in exports of the region. The inherent characteristics of the co-operatives qualify these societies as an instrument for development mixing the benefits of private ownership with common

good (Vijalakshmi, 2009). There is a difference between the handloom weavers of different age groups as regards the dimension of their problems, but, the number of looms owned by the weavers has no relationship to the dimensions of production, finance, marketing, and the socio-economic problems faced by the weavers (Elango, 2009). The study suggested that the government should give more publicity in foreign countries about the importance of handlooms and speciality in its weaving (Cathelina, 2010). The handloom weaving activity is profitable and per-loom profit for small scale and large scale units is higher than that for the medium scale units (Khairul, Elias, & Ghosh, 2013).

Most of the literature available in this field mainly focused on the regional problems of the sector and discussing the problems in the pre-globalised landscape. It has been observed that the most of the studies related to the crisis of handloom units are micro and regional specific in nature. In this context, the present study made an attempt to discuss the crisis of the industry by selecting the sample units from the two states in South India.

Database and Methodology

The present study made an attempt to identify and classify the problems of the handloom industrial units working in South India. For this purpose, the two prominent states from south India, Kerala and Tamil Nadu have been selected for the intensive study. Both primary and secondary data have been used for the purpose of the study. Primary data is collected from the sample handloom industrial units working in Kerala and Tamil Nadu through a structured interview schedule. The survey was conducted during the period from June 2013 to December 2013 to collect the primary data from the sample units. As per the records of the Directorate of Handlooms, Government of Kerala, about 94% of the handloom industrial units and 99% of weavers in Kerala are functioning under the cooperative fold, and remaining under the unorganised/private sector. But, in Tamil Nadu, handloom industrial units are functioning in both co-operative and private sector. The present study considers only the units working under co-operative folder. As on 31st march 2012, there are 591 Primary Handloom Weavers Co-operative Societies (PHWCS) functioning in Kerala (Economic Review, Kerala State Planning Board, 2012) while there are 1,182 Primary Handloom Weavers Co-operative Societies (PHWCS) functioning in Tamil Nadu as on the date (Directorate of Handloom, Government of Tamil Nadu, 2012).

As per the sample size table, minimum number of sample size (n) to be taken from Kerala was 220 (N= 591, P< 0.05). An equal number of sample size i.e. 220 sample units have been decided from Tamil Nadu. Similarly, 220 sample units were selected from 20 selected sample districts from Tamil Nadu. Thus, altogether a total of 440 sample units consisting of an equal number of 220 units from Kerala and 220 units from Tamil Nadu have been selected as sample handloom industrial units. Simple random sampling method by using random number table was employed for the selection of sample units from the sample districts. A structured interview schedule was developed to collect the primary data from the sample handloom units in Kerala and Tamil Nadu. Factor analysis with principal components method has been adopted for analysing the production and marketing of the sample units.

Results and Discussions

The study mainly focused on the problems experienced by the handloom units in the area of production and marketing. The analysis and discussion were arranged on the basis of classifying the problems in this manner.

Problems in the Area of Production

To ascertain the most prominent problems in the area of production affecting working of handloom units in both the states, 19 production related problems were identified from the evidence of the earlier research studies and discussions with different stakeholders of the units. The production related problems were measured through a five point itemised rating scale ranging from ‘more important’ to ‘unimportant’. The identified 19 problems in the area of production are analysed using Principal Component Analysis, with the objective to identify the major problems faced by the units in the area of production. Kaiser-Meyer-Olkin test and Bartlett’s test of sphericity measure of sampling adequacy are used to examine the appropriateness of factor analysis. The approximate chi-square statistic is 2738.081 with 171 degrees of freedom which is significant at 0.05 levels (Table 1). The KMO statistic (0.726) is also large (>0.5). Hence factor analysis is considered as an appropriate technique of further analysis of data.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		*0.726*
Bartlett's Test of Sphericity	Approx. Chi-Square	2738.081
	df	171
	Sig.	0.000

Source: Survey data

Table 2: Communalities: Problems in the Area of Production

Sl. No	*Production related problems*	*Initial*	*Extraction*
1	Use of old looms	1.000	0.769
2	Traditional preparatory work	1.000	0.707
3	Underutilisation of installed capacity	1.000	0.729
4	Poor quality of dyeing	1.000	0.529
5	Inadequate design and product development	1.000	0.534
6	Technological issues in weaving and dying process	1.000	0.648
7	Scarcity of raw materials	1.000	0.613
8	Poor quality of raw materials	1.000	0.559
9	Lack of facility to check the quality of raw materials	1.000	0.583
10	Wide fluctuations prices of raw materials	1.000	0.620
11	Damage of raw materials during handling	1.000	0.609
12	High cost of raw materials	1.000	0.663
13	High cost of labour	1.000	0.508
14	Lack of skilled labours	1.000	0.692
15	High rate of defectives/ abnormal wastage of materials on weaving process	1.000	0.722
16	Lack of non-credit input assistance from government agencies	1.000	0.520
17	Lack of storage facility for raw materials	1.000	0.618
18	Lack of timely delivery of raw materials	1.000	0.649
19	High cost of transportation of raw materials	1.000	0.693

Source: Compiled from Survey Data

contd.

Table 3: Total Variance Explained (Eigen values): Problems in the Area of Production

Sl. No	*Problems*	*Initial Eigen values*			*Extraction Sums of Squared Loadings*		
		Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
1	Use of old looms	4.827	25.404	25.404	4.827	25.404	25.404
2	Traditional preparatory work	2.053	10.804	36.208	2.053	10.804	36.208
3	Underutilisation of installed capacity	1.480	7.791	43.998	1.480	7.791	43.998
4	Poor quality of dyeing	1.397	7.352	51.351	1.397	7.352	51.351
5	Inadequate design and product development	1.169	6.150	57.501	1.169	6.150	57.501
6	Technological issues in weaving and dying process	1.039	5.468	62.970	1.039	5.468	62.970
7	Scarcity of raw materials	.967	5.092	68.062			
8	Poor quality of raw materials	.915	4.815	72.877			
9	Lack of facility to check the quality of raw materials	.869	4.574	77.450			
10	Wide fluctuations prices of raw materials	.682	3.589	81.039			
11	Damage of raw materials during handling	.654	3.443	84.482			

contd.

Sl. No	Problems	Initial Eigen values			Extraction Sums of Squared Loadings		
		Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
13	High cost of labour	.482	2.536	90.276			
14	Lack of skilled labours	.474	2.495	92.772			
15	High rate of defectives/ abnormal wastage of materials on weaving process	.336	1.768	94.539			
16	Lack of non-credit input assistance from government agencies	.314	1.652	96.192			
17	Lack of storage facility for raw materials	.273	1.435	97.627			
18	Lack of timely delivery of raw materials	.229	1.206	98.833			
19	High cost of transportation of raw materials	.222	1.167	100.000			

Source: Compiled from Survey Data

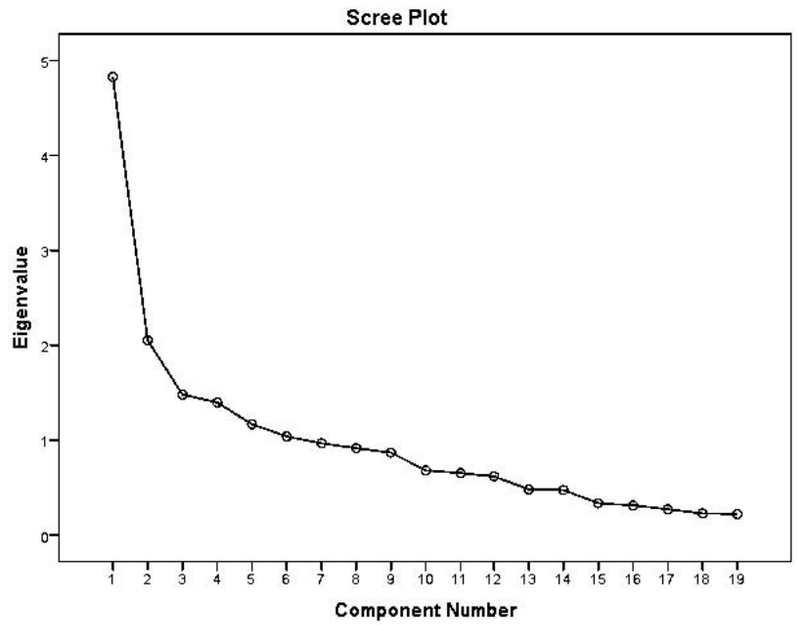

Fig. 1: Scree Plot of Problems in the Area of Production

The communalities (Table 2) are all high which indicates that the extracted component represents the variables well. Table 3 gives the total variance contributed by each component with Eigen values. Retaining only the variables only with Eigen values greater than one (Kaiser's criterion), it is interpreted that the percentage of total variance contributed by first component is 25.40, by second component is 10.804, by third component is 7.791, fourth component is 7.352, fifth component is 6.150 and by sixth component is 5.468. The percentage of total variance contributed by all the six components together is 62.970. Fig. 1 depicts the scree plot where the number of components against the Eigen values and helps to determine the optimal number of components. The scree plot shown in Fig. 1 clearly validates the usefulness of six factors as mentioned above. It is clearly seen that scree plot changes from steep to shallow after the sixth factor. Similarly, the Eigen value drops from 4.90 to one, when it considered factor six. All the remaining factors, whose values are less than one after the sixth factor are

considered to be immaterial for the study. Hence, it is suggested that six factor solutions may be the right choice to discuss the production related problems of handloom units.

Table 4: Component Matrix (Before Rotation): Problems in the Area of Production

Sl. No	*Problems*	*Components*					
		1	*2*	*3*	*4*	*5*	*6*
1	Use of old looms	.260	.073	-.197	.692	.049	-.419
2	Traditional preparatory work	.337	-.310	-.395	-.019	.514	.279
3	Underutilisation of installed capacity	.338	.431	.510	-.142	.350	-.161
4	Poor dyeing	.453	.487	-.234	-.167	-.002	-.069
5	Inadequate design and product development	.325	.557	-.058	-.323	.084	-.061
6	Technological issues in weaving and dying process	.708	.187	-.306	.019	.132	.016
7	Scarcity of raw materials	.573	-.236	.443	.039	-.090	-.154
8	Poor quality of raw materials	.671	-.014	-.131	-.195	-.088	.212
9	Lack of facility to check the quality of raw materials	.600	.174	-.357	-.036	.015	.252
10	Wide fluctuations prices of raw materials	.740	-.248	-.087	-.005	-.059	.000
11	Damage of raw materials during handling	.435	.395	-.030	.167	-.484	.013
12	High cost of raw materials	.681	-.406	.000	.068	.087	-.147
13	High cost of labour	.458	-.332	-.295	-.114	-.034	-.293
14	Lack of skilled labours	.463	.197	.480	-.086	.445	.059
15	High rate of defectives/ abnormal wastage of materials on weaving process	.165	-.001	.235	.343	-.133	.710
16	Lack of non-credit input assistance from government agencies	.463	-.393	.259	-.062	-.283	.023
17	Lack of storage facility for raw materials	.089	.063	.061	.700	.332	.049
18	Lack of timely delivery of raw materials	.580	-.484	.248	-.119	-.026	-.028
19	High cost of transportation of raw materials	.609	.416	.136	.211	-.294	-.017

Source: Compiled from Survey Data

Table 5: Rotated Component Matrix (After Rotation): Problems in the Area of Production

Sl. No	*Problems*	*Components*					
		1	*2*	*3*	*4*	*5*	*6*
1	Use of old looms	.099	.153	-.088	.834	-.092	-.158
2	Traditional preparatory work	.189	.181	-.030	.084	.792	.052
3	Underutilisation of installed capacity	.049	.170	.823	.030	-.124	-.059
4	Poor dyeing	-.035	.687	.181	.000	-.035	-.147
5	Inadequate design and product development	-.134	.571	.366	-.158	-.068	-.165
6	Technological issues in weaving and dying process	.265	.683	.116	.199	.237	-.039

contd.

7	Scarcity of raw materials	.693	.026	.300	.094	-.172	.059
8	Poor quality of raw materials	.438	.551	.039	-.142	.155	.131
9	Lack of facility to check the quality of raw materials	.180	.682	-.027	.036	.252	.140
10	Wide fluctuations prices of raw materials	.658	.389	-.002	.094	.159	.024
11	Damage of raw materials during handling	.132	.573	-.059	.137	-.459	.176
12	High cost of raw materials	.727	.173	.062	.210	.223	-.081
13	High cost of labour	.504	.231	-.184	.065	.186	-.356
14	Lack of skilled labours	.224	.140	.768	.040	.123	.130
15	High rate of defectives/Abnormal wastage of materials on weaving process	.087	.059	.002	.056	.013	.841
16	Lack of non-credit input assistance from government agencies	.689	.015	-.017	-.105	-.119	.138
17	Lack of storage facility for raw materials	-.069	-.071	.153	.700	.144	.272
18	Lack of timely delivery of raw materials	.784	.006	.128	-.069	.110	.037
19	High cost of transportation of raw materials	.244	.582	.204	.240	-.395	.199

Source: Compiled from Survey Data

Table 4 clearly shows the six components extracted by the un-rotated component matrix. It is evident that the factor loading value of each component is high (>0.6 or 60%) compared with the other values in the respective component before rotation. Hence it substantiates the solution obtained from the table "total variance explained" and the "scree plot". Table 5 reveals the six components extracted by the rotated component matrix i.e. relative correlation between variables (factor loading) varies interchangeably. It was observed that the factor loading values of 7, 10, 12, 13, 16, and 18 first components are high and the components have to be grouped under one single factor; components 4, 5, 6, 8, 9, 11, and 19 belong to second factor; components 3 and 14 come under third factor, 1 and 17 come under fourth factor; component 2 is placed under the fifth factor; and finally component 15 is the member of the sixth factor. Table 6 explains the details regarding the grouping of factors/ problems in the area of production.

Table 6: Grouping of Factors: Problems in the Area of Production

Sl. No	*Factors*	*Factor Loadings*
Factor I		
1	Scarcity of raw materials	0.693
2	fluctuations prices of raw materials	0.658
3	High cost of raw materials	0.727
4	High cost of labour	0.504
5	Lack of non-credit input assistance from government agencies	0.689
6	Lack of timely delivery of raw materials	0.784
Factor II		
1	Poor quality of dyeing	0.687
2	Inadequate design and product development	0.571
3	Technological issues in weaving and dying process	0.683
4	Poor quality of raw materials	0.551
5	Lack of facility to check the quality of raw materials	0.682
6	Damage of raw materials during handling	0.573
7	High cost of transportation of raw materials	0.582
Factor III		
1	Underutilisation of installed capacity	0.8.23
2	Lack of skilled labours	0.768
Factor IV		
1	Use of old looms	0.834
2	Lack of storage facility for raw materials	0.700

contd.

contd.

Sl. No	*Factors*	*Factor Loadings*
Factor V		
3	Traditional preparatory work	0.792
Factor VI		
1	High rate of defectives/ abnormal wastage of materials on weaving process	0.841

Source: Compiled from Survey Data

From Table 6, there are six components forming part of Factor I. These six components may be clubbed together and termed as "Scanty raw material availability and volatility in price". Seven components form part of Factor II. These seven components may be clubbed together and termed as "Lack of innovative models". There are two components forming part of Factor III and they are termed as "Moderate effluence of internal threats". There are two components forming for Factor IV and it is "Improper self-contained storage". One component is forming part of Factor V and is termed as "Stumpy congenital practice". Finally there is one component forming factor VI and is "Absence of sincere stimulus and drive".

Table 7: Component Transformation Matrix: Problems in the Area of Production

Sl. No	*Factors*	*1**	*2**	*3**	*4**	*5**	*6**
1	Scanty raw material availability and volatility in price	.692	.648	.249	.160	.100	.066
2	Lack of innovative models	-.630	.561	.389	.065	-.363	.025
3	Moderate effluence of internal threats	.251	-.459	.660	-.104	-.437	.298
4	Improper self-contained storage	-.047	-.129	-.167	.899	-.109	.364
5	Stumpy congenital practice	-.200	-.156	.562	.223	.739	-.153
6	Absence of sincere stimulus and drive	-.137	.119	-.088	-.317	.330	.866

Source: Compiled from Survey Data

It is concluded that 69.20% of the total variance after the rotation of the different components is forming the factor "Scanty raw material availability and volatility in price", 64.80% of the total variance after the rotation of the different components is forming the factor "Lack of innovative models", 66.00% of the total variance after the rotation of the different components is forming the factor "Moderate effluence of internal threats", 89.90% of the total variance after the rotation of the different components is forming the factor "Improper self-contained storage", 73.90% of the total variance after the rotation of the different components is forming the factor "Stumpy congenital practice", and finally 86.60% of the total variance after the rotation of the different components is forming the factor "Absence of sincere stimulus and drive". These are the identified major factors/ problems affecting production activities of the handloom units in Kerala and Tamil Nadu.

Problems in the Area of Marketing

The identified 18 problems in the area of production are analysed using Principal Component Analysis, with the objective to identify the major problems faced by the units in the area of production. Kaiser-Meyer-Olkin test and Bartlett's test of sphericity measure of sampling adequacy are used to examine the appropriateness of factor analysis. The approximate chi-square statistic is 1278.250 with 164 degrees of freedom which is significant at 0.05 levels (table 8). The KMO statistic (0.819) is also large (>0.5). Hence factor analysis is considered as an appropriate technique of further analysis of data.

Table 8: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		*0.819*
Bartlett's Test of Sphericity	Approx. Chi-Square	1278.250
	df	164
	Sig.	0.000

Source: Survey data

Table 9: Communalities: Problems in the Area of Marketing

Sl. No	Marketing Problems	Initial	Extraction
1	Low margin on selling price	1.000	.484
2	Poor communication/ linkage with big traders	1.000	.766
3	Effect of pricing of price fluctuations	1.000	.815
4	Low demand from the local market	1.000	.784
5	Lack of exporting facilities	1.000	.631
6	Lack of customer's awareness about the quality/ standard of handloom products	1.000	.653
7	Existence of spurious/ inferior handloom products in the markets	1.000	.729
8	Seasonal demand	1.000	.647
9	Competition from power loom/mills	1.000	.660
10	Competition from rivals	1.000	.771
11	Exploitations by intermediaries	1.000	.641
12	Lack of advertisement and sales promotion	1.000	.724
13	Frequent changes in fashion and trends	1.000	.611
14	Lack of market information/ knowledge	1.000	.559
15	Lack of marketing support from govt. and apex societies	1.000	.828
16	No efforts for brand promotion	1.000	.631
17	Lack of warehousing facilities	1.000	.640
18	Difficulty in timely marketing of products	1.000	.800

Source: Compiled from Survey Data

contd.

Table 10: Eigen values: Problems in the Area of Marketing

Sl. No	Problems	Initial Eigen values			Extraction Sums of Squared Loadings		
		Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	Low margin on selling price	3.979	22.107	22.107	3.979	22.107	22.107
2	Poor communication/ linkage with big traders	1.851	10.282	32.389	1.851	10.282	32.389
3	Effect of price fluctuations	1.728	9.601	41.990	1.728	9.601	41.990
4	Low demand from the local market	1.428	7.932	49.922	1.428	7.932	49.922
6	Lack of customer's awareness about the quality/ standard of handloom products	1.059	5.885	63.123	1.059	5.885	63.123
7	Existence of spurious/ inferior handloom products in the markets	1.010	5.614	68.737	1.010	5.614	68.737
8	Seasonal demand	.983	5.460	74.197			
9	Competition from power looms/ mills	.852	4.732	78.929			
10	Competition from rivals	.730	4.057	82.986			
11	Exploitations by intermediaries	.679	3.774	86.760			
12	Lack of advertisement and sales promotion	.550	3.056	89.816			
13	Frequent changes in fashion and trends	.439	2.440	92.256			

contd.

Sl. No	*Problems*	*Initial Eigen values*			*Extraction Sums of Squared Loadings*		
		Total	*% of Variance*	*Cumulative %*	*Total*	*% of Variance*	*Cumulative %*
14	Lack of market information/ knowledge	.389	2.163	94.419			
15	Lack of marketing support from govt. and apex societies	.341	1.893	96.312			
16	No efforts for brand promotion	.282	1.568	97.879			
17	Lack of warehousing facilities	.218	1.214	99.093			
18	Difficulty in timely marketing of products	.163	.907	100.000			

Source: Compiled from Field Study

Table 9 reveals that extraction communalities values for each variable identified have got moderate values. If a particular variable has low communality, it means that the extracted factors are not able to explain much variance in that variable and it may be dropped from the analysis. Table 10 indicates factors with Eigen values greater than one, and identified seven factors. The cumulative percentage obtained from extraction sums of squared loadings indicates that with the help of only one extracted factor, it is possible to explain 22.11% of the variance. If the second component is considered, 32.39% of the variance can be identified. Similarly, by considering seven factors altogether, it is possible to explain 68.74%. Hence, it is concluded that the seven factors constitute the major problems in the area of marketing.

Table 11: Rotated Component Matrix (After Rotation): Problems in the Area of Marketing

Sl. No	*Problems*	*Components*						
		1	*2*	*3*	*4*	*5*	*6*	*7*
1	Low margin on selling price	.144	.081	-.068	-.162	.178	.616	.118
2	Poor communication/ linkage with big traders	.850	.117	.093	.036	-.089	.020	-.112
3	Effect of price fluctuations	.063	.040	.799	-.016	.411	.025	.006
4	Low demand from the local market	.047	-.008	.132	.068	.868	.073	-.041
5	Lack of exporting facilities	-.091	.115	.177	.157	-.090	.727	-.129
6	Lack of customer's awareness about the quality/ standard of handloom products	-.018	.108	-.002	.512	.615	-.009	-.001
7	Existence of spurious/ inferior handloom products in the markets	.095	.197	-.175	.731	.317	.044	.119
8	Seasonal demand	.014	.696	-.156	-.012	.186	.248	-.205
9	Competition from power loom/ mills	.104	-.124	.234	.755	-.024	.094	.009
10	Competition from rivals	.814	-.213	.149	-.091	.011	.047	.173
11	Exploitations by intermediaries	.158	.031	-.040	-.117	.101	.103	.761
12	Lack of advertisement and sales promotion	.573	.528	.036	.195	.044	.272	.034
13	Frequent changes in fashion and trends	.570	.303	-.116	.321	.145	.178	-.155
14	Lack of market information/knowledge	.525	.361	.109	.161	.248	.148	.177
15	Lack of marketing support from govt. and apex societies	.138	.074	.887	.087	-.097	.008	.017
16	No efforts for brand promotion	.305	.086	-.084	.208	.011	.664	.200
17	Lack of warehousing facilities	-.143	-.032	.070	.232	-.147	.006	.734
18	Difficulty in timely marketing of products	.114	.799	.312	-.011	-.142	-.017	.175

Source: Compiled from Survey Data

Table 11 shows the seven components extracted by the rotated component matrix, and the relative correlation between variables (factor loading). Here, the factor loading values 2, 10, 12, 13, and 14 constitute first components which have to be grouped under one single factor. Items of 8 and 18 belong to second factor; 3 and 15 items come under third factor; 6, 7, and 9 items are part of fourth factor; item number 6 is placed under fifth factor; elements of 1, 4, 5, and 16 are the part of sixth factor; and finally 11 and 17 items are the elements of the seventh factor. Table 12 depicts the details of classification of problems in the area of marketing.

Table 12: Factors: Problems in the Area of Marketing

Sl. No	*Factors*	*Factor Loadings*
Factor I		
1	Competition from rivals	0.814
2	Lack of advertisement and sales promotion	0.573
3	Frequent changes in fashion and trends	0.570
4	Lack of market information/ knowledge	0.525
5	Poor communication/linkage with big traders	0.850
Sl. No	*Factors*	*Factor Loadings*
Factor II		
1	Seasonal demand	0.696
2	Difficulty in timely marketing of products	0.799
Factor III		
1	Effect of price fluctuations	0.799
2	Lack of marketing support from govt. and apex societies	0.887
Factor IV		
1	Lack of customer's awareness about the quality/ standard of handloom products	0.512
2	Existence of spurious/ inferior hand-loom products in the markets	0.731
3	Competition from power loom/mills	0.755
Factor V		
1	Low demand from the local market	0.868
Factor VI		
1	Low margin on selling price	0.616
2	Lack of exporting facilities	0.727
3	No efforts for brand promotion	0.664
Factor VII		
1	Exploitations by intermediaries	0.761
2	Lack of warehousing facilities	0.734

Source: Compiled from Survey Data

There are five components forming part of Factor I. These five components may be clubbed together and termed as "External intimidation in market". There are two components forming part of Factor II. These two components may be clubbed together and termed as "Drifting demand and supply". There are two components forming part of Factor III and they are termed as "Inappropriate and irrational intercession by the government". There are three components forming part of Factor IV and it is grouped as "Lack of awareness among stakeholders". One component forms part of Factor V and is termed as "Poor performance of domestic market". There are four components forming factor VI and are termed as "Inept output price and brand". Finally, there are two components forming factor VII and are named as "Intervention by middlemen".

Table 13: Component Transformation Matrix: Problems in the Area of Marketing

Problems	*1**	*2**	*3**	*4**	*5**	*6**	*7**
External intimidation in market	.637	.439	.199	.358	.284	.377	.101
Drifting demand and supply	-.513	-.028	-.125	.563	.625	-.009	-.114
Inappropriate and irrational intercession by the government	-.023	-.243	.898	.027	.143	-.315	.112
Lack of awareness among stakeholders	.087	-.449	-.192	.297	-.106	.057	.807
Poor performance of domestic market	-.566	.489	.258	-.096	-.232	.417	.370
Inept output price and brand	.012	-.283	-.011	-.619	.579	.435	.112
Intervention by middlemen	-.042	-.476	.184	.272	-.329	.625	-.405

Source: Compiled from Survey Data

It is concluded that 63.70% of the total variance after the rotation of the different components form the factor "External intimidation in market"; 48.90% of the total variance after the rotation of the different components form the factor "Drifting demand and supply"; 89.80% of the total variance after the rotation of the different components form the factor "Inappropriate and irrational intercession by the government"; 56.30% of the total variance after the rotation of the different components form the factor "Lack of awareness among stakeholders"; 62.50% of the total variance after the rotation of the different components form the factor "Poor performance of domestic market"; 62.50% of the total variance after the rotation of the different components form the factor "Inept output price and brand"; and finally, 80.70% of the total variance after the rotation of the different components form the factor *"*Intervention by middlemen*"*. These are the identified factors/ problems which constitute major problems in the area of marketing of handloom units.

Conclusion

The study found that the handloom units in Kerala and Tamil Nadu are facing problems in the area of production and marketing. The industry in South India itself faces crisis to survive in the market. The important problems and challenges faced by the industry from the area of production were arisen due to the scanty raw material availability and volatility in price, lack of innovative models, moderate effluence of internal threats, improper self-contained storage, stumpy congenital practice, and absence of sincere stimulus and drive. The marketing problems of the industry are constituted by the external intimidation in market, drifting demand and supply, inappropriate and irrational intercession by the government, lack of awareness among stakeholders, poor performance of domestic market, inept output price and brand, and intervention by middlemen. Majority of the handloom units in both the states adopt traditional technology in the area of production. No fruitful attempt has, so far, been made to make use of the unique facilities of handlooms to create exclusive and value-added fabrics, which always have good demand in export market. It is high time to restructure the production items of the industry so as to have exclusive products only which cannot be produced or copied in any type of power looms. This can be made possible if suitable measures are taken based on a well-designed scheme, by which the existing infrastructure facilities and skill of weavers are utilised to maximum extend possible, by upgrading their skill and technology. Such products should aim at export rather than domestic market. Shortage of raw material such as yarn and dyes is one of the major problems in the area of production and reason for the underutilisation of production capacity. In order to solve this issue, a raw material bank may be established where all kinds of inputs for handloom weaving made available for effective and timely distribution to weavers. Concerted efforts are to be made to create adequate dyeing facilities so as to get the required quantity of dyed yarns in the desired quality. Modernisation/modification of the existing dye houses with better equipment and accessories for quality dyeing to be required for the benefit of handloom units. Development of new products is based on the local skills of weavers and available infrastructure facilities are to be handled by agencies or persons having vast knowledge in both technological and marketing aspects. The products are to be developed, in accordance with the taste of target customers in the domestic and export markets. The handloom industry needs good branding system in order to maintain the quality and uniqueness of the handloom products; and to prevent the entry of power loom products camouflaged as handloom products in the markets.

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