MARKETING OF HANDLOOM AND KHADI PRODUCTS:
STRATEGIES FOR ENHANCED EFFECTIVENESS

Anu Varghese

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By:

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First Impression: 2019

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ISBN : 978-81-944069-4-5

Rs. 650/- ($18)

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Published by:
Empyreal Publishing House

PREFACE

Textile industry is a term used for industries primary concerned with the design or manufacture of clothing as well as the distribution and use of textiles. The textile industry in India traditionally, after agriculture, is the only industry that has generated huge employment for both skilled and unskilled labour in textiles. Handloom and Khadi segment of textile sector in in the Indian economy presents a sustainable model of economic activity that is not energy intensive and has low capital costs, as well as an extensive skill base. They are environment-friendly and their energy impacts are almost zero. Handloom and Khadi industries in Kerala play a significant role in generating employment in rural areas with minimum investment. The Handloom Sector in Kerala stands second to the coir sector in providing high employment opportunities compared to other traditional industries in Kerala.

The aim of this book is to study the marketing practices of Handloom and Khadi industries in Kerala as it provides large employment in rural areas next to coir sector. The book aims to examine the influence of marketing practices in creating customer satisfaction and loyalty in Handloom and Khadi industries in Kerala. This study tries to explore the prevailing marketing practices in Handloom and Khadi industries in Kerala and aspires to provide suggestions to improve the present status. Research methodology involved the collection of primary and secondary data. Primary data was collected by administering a pre-tested Structured Schedules to the Customers of Handloom (Hantex and Hanveev) and Khadi showrooms in Kerala. Data analysis has been done using t- Test, MANOVA, One-Way ANOVA and Structured Equation Modeling (SEM).

The findings of the study point out that Product Attributes of marketing practices in Handloom and Khadi industries in Kerala have a strong potential to enhance satisfaction in customers but not enough to create loyalty in customers. Place Characteristics of Handloom and Khadi industries in Kerala have contributed very low satisfaction in customers and they have failed to convert most of the satisfied customers into loyal ones. Price Affordability of marketing practices in Handloom and Khadi industries in Kerala also have a little potential to enhance satisfaction in customers. Whereas Promotional Effectiveness of marketing practices in Handloom and Khadi industries in Kerala have a strong potential to induce customers to repurchase or recommend Handloom/Khadi textiles during discount/rebate period even if they were not satisfied with other promotional effectiveness measures. Brand Image of marketing practices in Handloom and Khadi industries in Kerala also have a potential to induce customers to repurchase or recommend Handloom/Khadi textiles.

Brand Image has a strong potential to create loyalty among customers of Handloom and Khadi Industries in Kerala. The use of attributes of Brand Image in promotional activities

effectively can generate more loyalty. Handloom and Khadi industries in Kerala have to create awareness among the customers about the leading factors in Brand Image such as giving high weightage to traditional values, stressing more importance to appearance factor, then Khadi/Handloom clothes develops a distinguishable personality, increase status in the society and moreover brand name of Khadi/Handloom is a reliable one. It means that Brand Image of Khadi/Handloom will induce customers to repurchase or recommend Khadi/Handloom textiles rather than giving discounts/rebate. Therefore, Handloom and Khadi industries in Kerala should adopt marketing strategies to make correct proposition of marketing mix and to improve the current brand image of Handloom and Khadi in Kerala which will help to retain their existing customers which in turn will attract the new customers.

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Chapter 1

INTRODUCTION

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1.1 Introduction

The textile industry is a term used for industries primarily concerned with the design or manufacture of clothing as well as the distribution and use of textiles. The global textile and clothing industry is estimated to be worth about US$ 4,395 billion and currently global trade in textiles and clothing stands at around US$ 360 billion. The US market is the largest, estimated to be growing at 5% per year, and in combination with the European Union nations, accounts for 64% of clothing consumption. The textile industry in India traditionally, after agriculture, is the only industry that has generated huge employment for both skilled and unskilled labour in textiles. The textile industry continues to be the second largest employment generating sector in India. It offers direct employment to over 35 million in the country. The share of textiles in total exports was 11.04 per cent during April–July 2010, as per the Ministry of Textiles. During 2009-2010, Indian textiles industry was pegged at US$55 billion, 64 per cent of which services domestic demand. In 2010, there were 2,500 textile weaving factories and 4,135 textile finishing factories in all of India. The Indian textile industry is one the largest and oldest sectors in the country and among the most important in the economy in terms of output, investment and employment. The sector employs nearly 35 million people and after agriculture, is the second-highest employer in the country. Its importance is underlined by the fact that it accounts for around 4 per cent of Gross Domestic Product, 14 per cent of industrial production, 9 per cent of excise collections, 18 per cent of employment in the industrial sector, and 16 per cent of the country's total exports earnings. With direct linkages to the rural economy and the agriculture sector, it has been estimated that one of every six households in the country depends on this sector, either directly or indirectly, for its livelihood.

In India, major production of handloom goods is in the category of cotton fabrics. India is the World leader in global cotton yarn exports with 25 per cent market share. India's passage into modernity/ industrialization has centred, to a significant extent, on the cotton textile industry. Tracing the importance of the textile sector in the Indian economy also brings us face to face with the different components – such as the mill segment, the handloom segment and the powerloom segment – that make up this whole. These segments differ in terms of volume of output, technology, the organization of production and so on and are often placed in competing positions with one another, competing for raw materials, markets, etc. These differences render futile any attempt to generalize about the textile sector as a whole. Indeed, successive textile policies of the government have been an exercise in striking a balance between these segments.

The terms on which these various segments are appraised, however, have changed from time to time. For instance, while earlier policies stressed the employment potential of the handloom industry and sought to strengthen it with appropriate measures such as the provision of adequate yarn, reservation of products, etc., considerations such as productivity and competitiveness have become the ruling factors in judging performance of sectors over the last decade. Indeed, it was the textile policy of 1985 that announced such a shift by setting up the single objective of increasing cloth production, without looking into the basic questions of credit and raw material requirements. The implications of this shift in perception, both for the lakhs of people employed in these sectors and for the industry as a whole have yet to be fully examined.

The focus of this report is on the Handloom and Khadi industry. In the present economic climate where dependency on foreign capital and know-how is increasing all round, the Handloom and Khadi industry presents a sustainable model of economic activity that is not energy intensive and has low capital costs, as well as an extensive skill base. Its survival in, and adaptability to, a wide range of economic conditions also needs to be understood in a proper perspective, in order to underline the inherent viability of this enterprise.

An objective appraisal of the Handloom and Khadi industry, therefore, is the need of the hour. The paucity of reliable information on this sector has often been strongly felt. Even as regards the information that is available, it is necessary to be aware of the specific viewpoints from which such data is collected. There is also the additional empirical difficulty of collecting such information, given the geographically dispersed and heterogeneous nature of the industry (Seemanthini Niranjana, Soumya Vinayan, 2001).

Handlooms are environment-friendly. A handloom is an independent and autonomous technology. Energy impacts are almost zero. The sector thus lends itself to sustainable development policies aimed at reduction of negative impacts on environment and ecology (www.indiatogether.org/2006/feb/eco-handloom.htm).

The handloom industry is largely household-based, carried out with labour contributed by the entire family. It is dispersed, spread across thousands of villages and towns in the country. The industry also exhibits considerable diversity in terms of products, organizational base, as well as in relations between actors within the production structure. This diversity is not reflected in the aggregate data on the industry. And unfortunately, it is often such aggregate data, which form the basis not only for people's impressions about the industry, but also in attempts to formulate policies for the sector (Seemanthini Niranjana, Soumya Vinayan, 2001).

The handloom sector plays a very important role in Indian economy, the importance of handloom sector in the national economy cannot be over emphasized on account of having the advantage of flexibility of small production uniqueness innovation and adaptability to the export requirement. The dawn of 21st century has opened up challenges and problems for the handloom industry. Globalization also has shaken the foundation of the industry. With the impending dismantling the quota in 2004 under mandate from the agreement in textile and clothing the WTO focus has clearly shifted to the Indian textile and clothing export (Vinesh, 2011).

In India, handloom weaving is one of the largest economic activities after agriculture providing direct and indirect employment to more than 43 lakh weavers and allied workers. This sector contributes nearly 11 per cent of the cloth production in the country and also contributes to the export earning of the country. In fact, 95 per cent of the world's hand woven fabric is produced in India. The handloom sector has a unique place in our economy and its strength lies in its uniqueness, flexibility of production, openness to innovations, adaptability to the supplier's requirement and the wealth of its tradition (Annual Report 2013-14 of Textile Ministry).

The Handloom Sector in Kerala stands second to the coir sector in providing employment among the traditional industries of the State. Kerala stood fourth in handloom production in the country, just behind, Andhra Pradesh, Tamil Nadu, and Uttar Pradesh.The Handloom Industry in the State is mainly concentrated in Thiruvananthapuram, Kannur and Ernakulam District and in some parts of Kozhikode, Palakkad, Thrissur, Kollam and Kasaragod Districts. The Industry is dominated by the Co-operative sector, covering 97 per cent of total looms. The remaining three per cent of Handlooms units are owned by Industrial entrepreneurs. The Co-operative sector consists of factory type and cottage type societies. The number of registered Primary Handloom Weavers Co-operative Societies in the State as on November, 2014 is 705 as against 664 during March 2013. Of this, 171 are factory type and 534 are Cottage type societies. Of these 705 societies, 426 are in working condition as in November 2014.The number of factory type Co-operative Societies functioning at present is 107 (63 per cent) and cottage type societies is 319 (60 per cent) (Economic Review, 2014).

The major varieties of products produced in the handloom sector of the State are dhothis, furnishing material, bed sheets, shirting, saree and lungi. These items contribute about 67 per cent of the total production of handlooms sector. About 80 per cent of the major items are produced in the southern region followed by Northern region (12 per cent) and Central region (5 per cent). Of the total production, nearly 95 per cent is contributed by the co-operative sector and the balance of 5 per cent is by the units in the entrepreneurial sector. Government Assistance extended for the development of handloom industry, ` 391.38 lakh by way of loan and ` 1747.71 lakh by way of grant in 2013-14.The total value of production shows a decrease of 6 per cent from 222.87 crores in 2012-13 to 210.57 crores in 2013-14. The total number of weavers employed shows a sharp decrease from 51171 in 2012-13 to 21230 in 2013-14. The number of women employed is also decreased from 21434 in 2012-13 to 13061 in 2013-14. The total number of employment generated has decreased from 105.86 lakh man days in 2012-13 to 92.19 lakh man days in 2013-14 (Economic Review, 2014).

In Kerala, handloom industries were facing severe problems after the introduction of economic reforms and WTO regime (Vinesh, 2011). Just a few decades ago, handloom was the second highest jog generator after agriculture as handlooms could be set up even in mud houses and became a source of second income for the poor farmers hailing from rural areas. Though it is mandatory in a few government departments to source handlooms for uniforms, which is a readymade outlet for the industry, it is weavers who do not seem to be interested, due to the pitiable wages which they draw (http://www.texprocil.com/kerala-handloom_texprocil.html).

Promotional measures of handloom sector such as procurement, sales and marketing of handloom fabrics are being undertaken by two state level organizations namely Hantex and Hanveev.

Hantex is the apex society of around over 450 primary handloom societies in the state, was formed in 1961 with the objective of organizing the handloom industry in the state on sound commercial basis. Despite grants and loans being given to the society, the organization is running at a heavy loss as per the balance sheet of the year 2013-14 (Economic Review, 2014).

The Kerala State Handloom Development Corporation Ltd. (HANVEEV) is a Government of Kerala undertaking incorporated in 1968 for the welfare and development of traditional weavers in the unorganized sector and engaged in the manufacturing and marketing of wide range of handloom products depending on the market trends and sold at various outlets throughout Kerala. At Present Corporation have 52 own showrooms, 6 exclusive agency showrooms and 33 production centres. As per the working results this organization is also running in heavy losses (Economic Review, 2014).

Khadi is a herbally dyed fabric. Khadi textiles are harmless to skin and are high-value garments. They have lowest carbon footprint which makes it a sustainable fabric. Khadi fabrics are most suitable for the hot and humid Indian weather. Production of one meter khadi fabric consumes just 3 litres water against 55 litres consumed in a conventional textile mill. As khadi textiles are spun by hand and woven on handlooms the labour cost is very high. So cost of khadi fabric is high. Government provides rebate to consumers to make khadi affordable. By buying khadi a consumer directly helping the lowest strata of society (http//:handloomnation.blogspot.com).

The production of Khadi fabric is a labour intensive process as all the processes are done manually. The yarn is produced from the natural cotton by conventional methods using charka. The pure cotton collected from cotton farms are first ginned and made into rolls of bales of 160-175 kgs. These bales are then converted into rowing. The Rowing thus obtained are distributed to different spinning units. In the spinning units, the cotton fibre is converted into yarns manually by using charkas. The yarns are then woven into fabrics using handlooms. These fabrics are sold and are also used for making garments.

The dedicated effort of many rural men and women goes in the making of Khadi. It is widely preferred by young and old alike and has recently become a new fashion statement in the sub-continent. Besides being comfortable and eco-friendly, Khadi fabrics are elegant and come in various attractive designs. Khadi occupies a pre-eminent position among the fabric industries in the country. Today in textile sector the main sub-sectors are Khadi and textile mills (http://harkhadi.nic.in/home.htm).

The Kerala Khadi and Village Industries Board is a statutory body constituted under the Act IX of 1957 Kerala Legislative Assembly. The objectives of the Board are to provide organisation, development and regulation of Khadi and Village Industries in the State. The head office of the Kerala Khadi and Village Industries Board is situated at Thiruvananthapuram and it has district offices in all districts. In addition to this, Payyannur Khadi Centre, the prestigious institution established even before the commencement of the Kerala Khadi and Village Industries Board at Payyannur, is also working under the Board. Khadi as viewed by Gandhi is not only an economic but also a political phenomenon. He had absolute belief in the conception that the universal adopters of 'Khaddar' by Indians was equivalent to the acquisition of Swaraj. Khadi was also the symbol of unity in India. Hence spinning was a daily sacrament and a concerete viable technique of participation in the yajna for the unification and revivification of India.

Khadi Board promotes Khadi Industry Departmentally and Institutionally.The Board is engaged in spinning and weaving activities of Cotton, Muslin and Polyvastra. In case of silk, only weaving is undertaken. Khadi's prestigious products are silk sarees (Payyannur Pattu and Chithali silks), cotton sarees, kuppadam dothies, bedspreads and towels. The Khadi Board has a total of 233 sales outlets throughout the state.

As part of popularization of the Khadi/Handloom cloths, the Government had issued a G.O. (MS) No.131/06/IND dated 30-12- 2006 with a solicition to the effect that all Malayalees especially Government employs should wear Khadi cloths at least once in a week from 1- 1-2007 onwards. Similarly the Chief Minister of Kerala had solicited the entire Malayalees to wear Khadi cloths at least once in a week for

creating more employment opportunities in the Khadi/Handloom sector and inculcating the pride of Swadeshi (www.kkvib.org/Schemes).

Management in modern times has evolved from a production oriented to sales oriented and then marketing oriented view of business. In this context, marketing becomes relevant to a country like India in the same way, as it is relevant to highly industrialized and affluent countries. For many products, India has already reached a stage, where the problem is not of supplies, but of marketing advocates. The marketing concept advocates a careful planning and implementation of marketing activities with particular focus on customer satisfaction. In the large sector, which has the advantage of being an organized one, with people sharing the various roles and responsibilities, marketing functions receive a professional touch. However, with the cut throat competition existing in the market, the marketing task becomes difficult. In early days, the plight of public sector undertakings are all the more aggravated as they lack an organized marketing system. They are hardly aware of the various marketing strategies or are unable to use them to reach the masses, thus posing a serious problem in marketing their products.

Marketing is the basic reason for the existence of an organization. In the age of fast changes, marketing is the springboard of all activities. It works as the guide for all business/non-business organizations. It is a powerful mechanism which alone can satisfy the needs and wants of consumers at the place and price they desire (S. Namakumari, 2001)

Marketing can occur any time a person or organization strives to exchange something of value with another person or organization. Thus, at its core marketing is a transaction or exchange. In this broad sense, marketing consists of activities designed to generate and facilitate exchanges intended to satisfy human or organizational needs or wants. Marketing focuses on the activities carried out by organizations to facilitate mutually beneficialexchanges. These organizations may be profit seeking business firms, or they may have a primary objective other than profit – a university, charity**,** church, police department ,or political party, for example (Etzel, Walker, Stanton, 2005).

Broadly there are three entities involved in the marketing system. They are the producer, consumer and the middleman. The producer after making a lot of investment and putting in hard labour, would naturally look forward to get the largest possible returns for his product. The consumer would like to get his required quantities of goods and pure quality at least possible cost. The middleman would aim to realizing the maximum possible net profits from the deal. An efficient marketing system would, therefore, aim at balancing these conflicting interests in such a way that each entity gets a fair deal (Kotler, 1997).

Today in the era of globalization, business and marketing are changing. We can say with some confidence that ‘the market place isn’t what it used to be’. It is changing radically as a result of major societal forces have created new behaviours and challenges.

Textile is one of the sectors in which a lot of economic reform measures are taking place in India. The last few years have seen tremendous changes in the textile scenario. The regime ofliberalization and free trade has initiated a process of integration of world textile market by world-wide phasing out of quantitative restrictions on imports. The change has created newopportunities for global market; at the same time it has led to new challenges for the domesticindustry as import barriers are considerably being reduced.

The Handloom and Khadi Sector occupies an important place in the Indian Economy as it contributes significantly to employment generation. Its economic importance also lies in its low capital investment and high value addition (The Ford Foundation, 2005).

1.2 Significance of the Study

The Indian Textile Industry plays a significant role in the economic growth of the country through its contribution to employment generation. In India, handloom weaving is one of the largest economic activities after agriculture providing direct and indirect employment to more than 43 lakh weavers and allied workers. This sector contributes nearly 11% of the cloth production in the country. In fact, 95% of the world’s hand woven fabric is produced in India (Annual Report 2013-14 of Textile Ministry).

Kerala’s textile industry comprises of traditional handloom sector, powerloom sector, weaving and spinning sector. The Handloom Sector in Kerala stands second to the coir sector in providing employment among the

traditional industries of the State. Kerala stood fourth in handloom production in the country, just behind, Andhra Pradesh, Tamil Nadu, and Uttar Pradesh. The Handloom Industry in the State is mainly concentrated in Thiruvananthapuram, Ernakulam, and Kannur District and in some parts of Kozhikode, Palakkad, Thrissur, Kollam and Kasaragod Districts. The Industry is dominated by the Co-operative sector, covering 97% of total looms. The remaining three per cent of Handlooms units are owned by Industrial entrepreneurs. The Co-operative sector consists of factory type and cottage type societies. The number of registered Primary Handloom Weavers Co-operative Societies in the State as on November, 2014 is 705 as against 664 during March 2013. Of this, 171 are factory type and 534 are Cottage type societies. Of these 705 societies, 426 are in working condition as in November 2014.The number of factory type Co-operative Societies functioning at present is 107 (63%) and cottage type societies is 319 (60%) (Economic Review, 2014).

The major varieties of products produced in the handloom sector of the State are dhothis, furnishing material, bed sheets, shirting, saree and lungi. These items contribute about 67% of the total production of handlooms sector. Government Assistance extended for the development of handloom industry, 391.38 lakh by way of loan and ` 1747.71 lakh by way of grant in 2013-14. The total value of production shows a decrease of 6% from 222.87 crores in 2012-13 to 210.57 crores in 2013-14. The total number of weavers employed shows a sharp decrease from 51171 in 2012-13 to 21230 in 2013-14. The number of women employed is also decreased from 21434 in 2012-13 to 13061 in 2013-14. The total number of employment generated has decreased from 105.86 lakh man days in 2012-13 to 92.19 lakh man days in 2013-14 (Economic Review, 2014).

Promotional measures of handloom sector such as procurement, sales and marketing of handloom fabrics are being undertaken by two state level organisations namely Hantex and Hanveev. Handloom and Khadi industries in Kerala are attempting toorganize the handloom industry in the state on sound commercial basis and the welfare and development of traditional weavers in the unorganized sector and engaged in the manufacturing and marketing of wide range of handloom products depending on the market trends and sold at various outlets throughout Kerala. Despite of grants and loans being given to them, these organisations are running at a heavy loss (Economic Review, 2014).

Khadi is the proud legacy of our national freedom movement and the father of the nation. Khadi and Village Industries (KVI) are two national heritages of India playing a significant role in generating employment in rural areas at a very low per capita investment. These industries use eco-friendly local resources and generate sustainable employment opportunities in rural areas. In Kerala, the responsibility of organising, developing and promoting Khadi and Village Industries is vested with Khadi and Village Industries Board, a statutory body under State Government. Co-operative societies, registered institutions and departmental units carry out the activities of the Board with the financial assistance of State Government, Khadi and Village Industries Commission and Nationalized Banks. All these focus the significant role of Handloom and Khadi sector in Kerala.

The importance of this study lies in the very important role play byKhadi and Handloom sector in the country's economy. In India, handloom sector gives daily bread to most of the population next to agriculture. It is engaged in weaving activities. The Handloom Sector in Kerala stands second to the coir sector in providing employment among the traditional industries of the State. In Kerala, procurement and marketing of handloom fabric in the state are done by two state level organization – Hantex (Kerala State Handloom Weavers Co-operative Society) and Hanveev (Kerala State Handloom Development Corporation Limited).

Hantex is the apex society of around over 450 primary handloom societies in the state, was formed in 1961 with the objective of organizing the handloom industry in the state on sound commercial basis. Despite grants and loans being given to the society, the organization is running at a heavy loss as per the balance sheet of the year 2009-10to 2014-15 i.e., Hantex was running at a heavy loss for the continuous years 2009-10 (`9494.27 Lakhs), 2010-11(` 9450.93 Lakhs), 2011-12 (` 98471.20), 2012-13 (` 10269.31 Lakhs), 2013-14 (` 10353.49 Lakhs) and 2014-15 (` 4222.31 Lakhs) (Economic Review, 2010-15).

The Kerala State Handloom Development Corporation Ltd. (HANVEEV) is a Government of Kerala undertaking incorporated in 1968 for the welfare and development of traditional weavers in the unorganized sector and engaged in the manufacturing and marketing of wide range of handloom products depending on

the market trends and sold at various outlets throughout Kerala. As per the working results Hanveevwas running at a heavy loss for the continuous years 2007-08 (` 3631.67 Lakhs), 2008-09 (`4096.42 Lakhs), 2009-10 (` 4218.68 Lakhs), 2010-11(` 4697.69 Lakhs), 2011-12 (` 5265.80 Lakhs), 2012-13 (` 5888.90 Lakhs), 2013-14(` 6277.27 Lakhs) and 2014-15 (` 6795.99Lakhs) (Economic Review, 2008-2015).

Khadi and Village Industries play a substantial role in generating employment in rural areas with minimum investment. These industries use eco-friendly, local resources and generating higher employment opportunities. The Kerala Khadi and Village Industries Board is a statutory body with the objectives to provide organization, development and regulation of KVI in the State. Khadi is an Indian fabric is also known as 'Khaddar', is the fabric of freedom. It was a vision of Mahatma Gandhi during pre-independence era for the acquisition of swaraj i.e., discourage the Indians from wearing of foreign clothes and the symbol of unity in India. It has been a source of livelihood to a large number of spinners, weavers and the other artisans spread across the country living in the rural as well as urban areas. Khadi board is engaged in spinning and weaving activities. Khadi has gained worldwide appreciation as handmade and organic apparel. Though handcrafted characteristic is the USP (Unique Selling Proposition) of Khadi and Handloom, an acute problem indicated in these sectors is that the production process is total manual, one unit of Khadi cloth takes several times the man-days needed by the mechanized textile sector and four times that of the handloom sector.

The financial status of Khadi during the year 2003, 2004, and 2005 is 20928.26 lakh, 21693.0 lakh and 22126.93 lakh respectively. Its expenditure (State Government Fund) was 1096.16 lakh, 1152.49 lakh and 1603.52 lakh, 1152.49 lakh and 1603.52 lakh respectively. The number of people employed in Khadi industry is reduced from 6,573 in 1999-2000 to 4,764 in 2009-2010. Number of handloom weavers during the year 2009-2010 was 57,753 and it is reduced to 21,230 in 2013-2014. The value of production of handloom is reduced from `392.47 crores in 1999-2000 to `165.33 rores in 2009-2010. While comparing the production and employment generation during 2013- 14 with 2012- 13 it shows a decreasing trend in production and employment generation (Economic Review, 2014). It shows a decline in demand or shrinking market for handloom products. Here, it is necessary to check whether it is due to their poor marketing practices or whether there is a mismatch in their marketing mix and insufficiency in their brand image.

Besides all government subsidies, financial assistance like grants and loans, training programmes, welfare schemes, development programmes, government order etc Khadi/Handloom shows a decline trend in its value of production, number of people employed, number of handloom co-operative societies and in sales of Hantex and Hanveev over years.

In the current era of high competition, marketers are forced to be more concerned with customer retention (Dick and Basu, 1994; Reichheld, 1996). Marketers are realizing that it costs less to retain customers than to attain a new one (Rosenbergand Czepiel, 1984). The increasing awareness of customers regarding their needs is making a major difference to the attempts by the marketers to ensure their marketing practices or marketing strategies alive. A satisfied customer is the marketer's best asset. A satisfied customer can become opinion leader; who can influence the purchase decision of his peers. Loyal customers are more expected to act as free word-of-mouth advertising agents that informally bring networks of friends, relatives and other potential customers to a product (Shoemaker and Lewis, 1999). Hence it is essential for the Handloom and Khadi industry to maintain a good relationship with the present customers to foster better business performance. Marketing practices act as a helping hand in this regard for building and maintaining loyalty among Handloom and Khadi textile customers in Kerala.

Considerable number of studies have been done by many experts in the marketing field but in other industries. It reveals the importance of the study of marketing practices in Handloom and Khadi industries in Kerala. An examination of the literature available in the referred journals and books in the area of Handloom and Khadi industries shows that very large quantities of literature are available in this regard. But it is very limited in the area of marketing of Handloom and Khadi. Hence a keen interest exists with regard to the marketing practices performed by Handloom and Khadi industries in Kerala as it provides large employment in rural areas next to coir sector.

How better or successfully marketing practices may be implemented for better performance in Handloom and Khadi textile sector of Kerala also demands consideration. This study intends to throw light on the

contemporary practices and issues in the marketing practices of Kerala Handloom and Khadi industries and aspires to provide suggestions for further development.

Hence it is expected that this research study will not only serve to add to the understanding about marketing practices in Handloom and Khadi industries in Kerala but also it will serve to highlight and to emphasize the significance of marketing practices in ensuring customer satisfaction and loyalty and thus in turn enhancing better business performance. It is very likely that an effort to explore marketing practices and its role in creating satisfaction and loyalty among Handloom and Khadi textile customers in Kerala will present a new insight which will be useful to everyone with an interest in marketing Handloom and Khadi industries.

1.3 Research Problem

In a market driven economy, the customer has occupied the central position. A huge number of activities are directed towards attracting new customers and retaining the existing customers. All industries are paying an exceptional attention towards marketing practice and have changed in to a more customer centric approach. Achieving the full potential of satisfaction in every customer need to be the decisive aim of every business (Boxwell, 2000). Customer retention play a vital role in the business performance of every organization. Now every industries embrace marketing as a focal strategy, as technological applications helps in a very precise segmentation, profiling and targeting of customers and competitive stress require a customer centric culture (Calin Gurau et al, 2003).

The relationship between marketing practices and customer satisfactionplay a significant role in increasing Handloom and Khadi industries' business performance. Hence it is very important that Handloom and Khadi industries in Kerala should try to establish and maintain satisfaction and loyalty among their customers. In order to survive in the competitive market, focusing on customer is becoming a key factor for Handloom and Khadi industries. It is well known that it costs four to five times to acquire a new customer compared to retaining an existing one. Moreover an unhappy customer causes business damage as they are more likely to defect to competition and more easily to persuade others to defect. So it is of no surprise that marketing practice is a vital topic for discussion in the present business world (Feinberg et al., 2002). Formation of an attractive relationship between marketing practices of Handloom and Khadi industries and customer is the key to ensure higher level of customer loyalty (Dwyer et al, 1987; Morgan and Hunt 1994). Due to the growing significance of marketing practice all over the world it is appropriate to understand the implications of marketing practices in Handloom and Khadi industries.

In comparison with many other Indian states, Kerala is blessed with diversity of Handloom and Khadi products. Kerala Handloom and Khadi textile is a symbol of tradition, culture, hand-woven, eco-friendly and natural product.At present, the handloom and Khadi industries in Kerala is able to withstand the competitions from the power looms and mill sectors or they are existing only because of State Government interventions through financial assistances in the form of subsidies and implementation of various departmental and welfare schemes. In fact, a number of policy measures have been initiated by the Government of Kerala for promotion of these industries as they have high potential in employment generation and income creation particularly in the rural and backward areas at a low capital cost.

Government of Kerala is providing loans for the needy entrepreneurs of Khadi under the Margin Money Scheme. Loans are availed from various financial institutions and banks for establishing khadi units in rural areas as approved by the KVIC. The Khadi Board runs sales outlets in all districts departmentally and on agency basis. Products produced by the Board and its aided units are being sold through its own sales outlets. The Khadi sector has at present most of the problems indicated for traditional industries including handloom, but in a more acute form. As the production process is total manual, one unit of Khadi cloth takes several times the man–days needed by the mechanized textile sector and four times that of the handloom sector. So the price of khadi textile is high.

The main marketing of Khadi/Handloom is through the rebate policy of government. Government also provide marketing support to handloom agencies and the individual weavers to organize melas, fairs and exhibitions. The Office of the Development Commissioner for Handlooms assist the State Government to organize handloom Expos by way of financial support towards infrastructure, publicity etc. Government of Kerala has encouraged all Keralaites to use Handloom and Khadi products through mass campaigns

inculcating the pride of Swadeshi. Government also through an order inspire government servants, students and other sections of the society to wear Handloom and Khadi at least once in a weak (Industrial and Commercial Policy, 2007).As part of popularizing and re-establishing the pride in wearing Khadi and Handloom products, the State Government has mandated wearing it in schools and offices on Saturdays (Economic Review, 2012). It has been introduced the "Handloom Mark" which will provide a collective identity to the handloom products and can be used for popularizing the hand woven products and also serve as a guarantee for the buyer that the product being purchased is genuinely hand woven. Therefore, Handloom Mark is a hall mark of powerful creative work that defines the product with clarity, distinguishing it from competition and connecting it with customers. In Kerala, Mohanlal is the Brand Ambassador of Handloom.

In spite of favourable policy measures (like, various incentives) by the Government of Kerala, the performance of this sector so far suggests that a more focused intervention is required particularly through the use of modern marketing techniques to scale up its performance to reasonable levels. So, to find out the reason for poor performance of Handloom and Khadi industries in Kerala, it is intended to study their marketing practices. As customer retention decides the success of any business it is also intended to study the perception and satisfaction of customers towards marketing mix and brand image of Handloom and Khadi industries in Kerala.

Numerous literatures are available in connection with the Handloom and Khadi industries in Kerala. Anyhow limited researches have been conducted by scholars regarding the marketing practices of Handloom and Khadi industries in Kerala in particular. This research study titled "*A Study on Marketing Practices in Handloom and Khadi Industries in Kerala*" will be attempting to examine marketing practices followed by Handloom and Khadi industries in Kerala and explores the different variables determining the customer satisfaction and loyalty in Kerala Handloom and Khadi industries. The quality of customer satisfaction is measured as a multidimensional, multiple scale variable with marketing mix – product attributes, place characteristics, price affordability, promotional effectiveness and brand image as its different causal variables. The study establishes a relationship and explains how customer satisfaction of Handloom and Khadi industries in Kerala gets affected by the marketing mix and brand image. Even if the marketing practices of Handloom and Khadi industries in Kerala is good, satisfaction and loyalty may get adversely affected by the choice overload of customers. The study in addition examines the moderating role of choice overload on customer satisfaction and loyalty.

Based on these observations the following research questions have framed.

- RQ1: How effective is the marketing practices in Kerala Handloom and Khadi industries to bring about customer satisfaction and loyalty?
- RQ2: What are the different variables which measure the marketingpractices in Kerala Handloom and Khadi industries?
- RQ3: Is there any disparity in the perception of customers regarding marketing practices of Handloom and Khadi industries in Kerala?
- RQ4: How choice overload of customers affect customer satisfaction and loyalty towards Handloom and Khadi industries in Kerala?

1.4 Objectives of the Study

1) To explore the prevailing marketing practices of Khadi and Handloom textile Industries in Kerala.
2) To identify the variables to assess the perception and satisfaction of customers towards the marketing mix and brand image of Khadi and Handloom textile Industries in Kerala.
3) To develop a valid and reliable scales to measure the variables of interest of customers of Khadi and Handloom textile Industries in Kerala.
4) To develop and analyze a theoretical model demonstrating the linkage between the variables identified to cause the satisfaction and loyalty of customers of Khadi and Handloom textile industries in Kerala.
5) To suggest strategies to impart favourable perception and satisfaction in customers of Khadi and Handloom textile industries in Kerala.

1.5 Hypotheses of the Study

H1a: There exists significant relationship between Product Attributes and Satisfaction of Khadi/Handloom customers in Kerala.

H1b: There exists significant relationship between Product Attributes and Loyalty of Khadi/Handloom customers in Kerala.

H2a: There exists significant relationship between Place Characteristics and Satisfaction of Khadi/Handloom customers in Kerala.

H2b: There exists significant relationship between Place Characteristics and Loyalty of Khadi/Handloom customers in Kerala.

H3a: There exists significant relationship between Price Affordability and Satisfaction of Khadi/Handloom customers in Kerala.

H3b: There exists significant relationship between Price Affordability and Loyalty of Khadi/Handloom customers in Kerala.

H4a: There exists significant relationship between Promotional Effectiveness and Satisfaction of Khadi/Handloom customers in Kerala.

H4b: There exists significant relationship between Promotional Effectiveness and Loyalty of Khadi/Handloom customers in Kerala.

H5a: There exists significant relationship between Brand Image and Satisfaction of Khadi/Handloom customers in Kerala.

H5b: There exists significant relationship between Brand Image and Loyalty of Khadi/Handloom customers in Kerala.

H6: Choice Overload perceived by the customers moderates the relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala.

H7: There exists significant relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala.

H8: There is significant difference in perceptions among respondents towards variables on the basis of Gender.

H9: There is significant difference in perceptions among respondents towards variables on the basis of their Area of Domicile.

H10: There is significant difference in perceptions among respondents towards variables on the basis of their Age.

H11: There is significant difference in perceptions among respondents towards variables on the basis of their Education Level.

H12: There is significant difference in perceptions among respondents towards variables on the basis of their Work Experience.

H13: There is significant difference in perceptions among respondents towards variables on the basis of their Income Level.

H14: There is significant difference in perceptions among respondents towards variables on the basis of their Nature of Work.

H15: There is significant difference in perceptions among respondents towards variables on the basis of their reasons behind visiting Khadi/Handloom Showroom.

H16: There is significant difference in perception among respondents towards satisfaction as well as loyalty on the basis of their different length of usage of Khadi/Handloom.

1.6 Anticipated Outcome

Handloom and Khadi industries in Kerala, have the full support of the Government, have a dynamic role to play in the development of the economy. It should act as a strong inventor by modifying its policies towards a more customer oriented one. Hence it is essential to develop a strategy that can encourage sales of Khadi/Handloom textiles by effective marketing practices i.e., by way of appropriate marketing mix and sufficient brand image. This will consecutively encourage purchase of Khadi/Handloomtextiles and customer satisfaction which will nurture sustainable development of Handloom and Khadi industries in Kerala.

Effective marketing mix and sufficient brand image are required to build strong satisfaction and stable loyalty in customers for ensuring repeated purchase and recommendation. Well-designed marketing mix and brand image strategies can encourage satisfaction in customers and can ensure their repeated purchase. It is estimated that the outcome of this research will help the Kerala Handloom sector in general and Khadi, Hantex and Hanveev showrooms in particular for developing stronger customer satisfaction and loyalty. This can lead to repeated purchase and recommendation of Kerala Khadi/Handloom brand.

1.7 Scope of the Study

The proposed study entitled "*A Study on Marketing Practices in Handloom and Khadi Industries in Kerala*" is focusing on the marketing mix and brand image strategies followed by Handloom and Khadi industries in Kerala. In this study marketing practices means marketing mix and brand image of Handloom and Khadi textile industries in Kerala. It intends to emphasize the effect of marketing practices on satisfaction and loyalty of Khadi/Handloom customers in Kerala.

For the purpose of this study, the Kerala Handloom and Khadi industries refers to Khadi, Hantex and Hanveev textile sales outlets in Kerala only. Even though there are a large number of factors affecting the marketing practices this study will be considering only 4 P's of marketing mix, namely,Product Attributes, Place Characteristics, Price Affordability And Promotional Effectiveness; and Brand Image. The study also intends to analyze how the Choice Overload of customers may prevent the building of satisfaction and loyalty in Handloom/Khadi textile customers in Kerala.

The multi-dimensional structure of marketing practices has been studied in customer perspective. The whole model in the research framework has been studied in the customer perception. The primary data has been collected from April 2015 to October 2015. It has been collected from the customers of Hantex, Hanveev and Khadi textile showrooms, which are marketing Handloom/Khadi textiles, in Kerala.

The present study deals with the marketing practices of Handloom and Khadi Industries in Kerala helps to find out new revival strategy. Hence this study will also make a probe in to the perception and satisfaction of customers who are buying the textiles which will help in the development of Handloom and Khadi Industries in Kerala. It indirectly helps to improve the economic conditions of rural people who are engaged in manufacturing these products. The study about the consumers' satisfaction will also help to know the market and make goods according to the need and taste of the consumer who are using the products of Handloom and Khadi Industries in Kerala.

1.8 Location of the Study

This research study has conducted in Kerala, the greenish land lies between the Western Ghat and Arabian sea, about 15000 square miles with varying scenic beauty. Kerala is known as the epitome of India. Handcrafted handloom weaving, Ivory works, weaving of coir are well known heritage of Kerala. Kerala handloom industry carries a vital role in states economy as well as in the field of employment.

Handloom cloth is regarded as an illustrious example of the heritage and unique craftsman ship of Kerala. The significance of the handloom industry from other traditional industries is that it is blended with the culture and daily life of Keralities. As cloth is a primary need of the mankind, the sector gives daily bread to most of the population. Handloom industry in Kerala stands second to the coir sector in providing employment among the traditional industries of the State. Kerala stood fourth in handloom production in the country, just behind, Andhra Pradesh, Tamil Nadu, and Uttar Pradesh.

A very large number of looms are located in rural areas. In early days majority of handloom weavers followed the hereditary line. The major communities engaged in weaving were Saliyas and Devangas.

Earlier they were producing cloth for their own consumption and for the need of their village. Increase in production and improvement in transport facilities removed the hindrance of time and eased the exchange of commodities. The skill of weaving has been passed from parents to children.

During 15th century British, French and Portuguese people visited Kerala. They were attracted by the things like spices, ivory and beauty of handloom fabrics. They began to purchase large quantities and exported to their countries. After the British captured India they took up and nourished handloom industries for their purposes. At the end of the 18th century the monopoly came to an end. During the period of foreigners the weavers of Kerala learned all techniques and they paralleled the way for the production of furnishing fabrics according to new style of demand.

During the dawn of 20th century, the Sree Narayana movement influenced Kerala society by and large prompting the caste based culture to change towards secular and modern industrious culture so that many people from traditional Thiyya/Ezhava community had taken up their employment in Handloom industry to do away with the toddy tapping to respond with the advice of Sree Narayana Guru. These changes also has its own mark in making the present shape of Kerala Handloom Industry.

The 'Kerala Kasavu Sarees' are famous among women all over India for their fineness count and natural colours, texture and gold borders. Kerala is also known for its unbleached cotton handloom crepe popularly known as 'kora' cloth this has entered in the foreign market and occupied a proud place in the garment industry.

Kerala is the thirteenth largest state by population and is divided into 14 districts with the capital as Thiruvananthapuram. Balaramapuram, in Thiruvananthapuram district is the most historically important place for handloom fabrics. The weavers belong to Saliyas were migrated from Nagar coil and Thirunelveli in Tamil Nadu during the time of Balarama Varma before 250 years. For the royal family they had been produced super fine 'MundumNeriyathu'. The technique of producing the superfine fabric spreaded from them to the local weavers in Balaramapuram and the surrounding places. There are 349 societies and 44700 weavers are working with their looms. The main products of district are fine cotton textures, durries with special design, fine grey sarees with kasavu (Jari), set-mundu, Mundhu (dhothi for men), Earezha thorthu (bathing towel), Melmundu etc. There are 42 total showrooms of Khadi, Hantex and Hanveev in Thiruvananthapuram district.

Chendamangalam, in the Ernakulam district is also an important handloom centre in Kerala. Here they have been producing the superfine double dhothies, 'Mundu and Neriyathu', synthetic silk sarees, matching set etc. Fine grey sarees called as 'Chennamangalam sarees are the product of Ernakulam district. The distinction of these fabrics is that they have producing a special effect in weft direction. In east Ernakulam, earzha thorthu and cheaper variety bed sheets are produced. There are 30 societies and 8494 weavers with their looms. There are 40 total showrooms of Khadi, Hantex and Hanveev in Ernakulam district.

Kannur is called as the 'Manchester of Kerala'. The famous Kannur sports shirting varieties like Crepe, shirting, Made-ups, Furnishing, Trukish towels, Sateen sheets, Lungies, Earezha thorthu etc are the contributions of this district. There are 73 societies established in this district and 13667 weavers working upon it. There are 109 total showrooms of Khadi, Hantex and Hanveev in Kannur district.

In Kerala, procurement and marketing of handloom fabric in the state are done by two state level organization – Hantex (Kerala State Handloom Weavers Co-operative Society) and Hanveev (Kerala State Handloom Development Corporation Limited).Khadi and Village Industries play a substantial role in generating employment in rural areas with minimum investment. These industries use eco-friendly, local resources and generating higher employment opportunities. The Kerala Khadi and Village Industries Board is a statutory body with the objectives to provide organization, development and regulation of KVI in the State.

The study has been conducted among the customers of Hantex, Hanveev and Khadi textile showrooms, which are marketing Handloom/Khadi textiles, in Kerala.

1.9 Limitations of the Study

In the field of management and social sciences research studies are supposed to be more complex when compared to that of other research areas. The reason for this could be existence of uncertain and uncontrollable research environment where overlapping and interrelated variables may occur. So that management and social science research is generally subject to a number of limitations which could be consequently looked at a possibility of further studies. The limitations of the study are summarized below:

- The scope of this study has been limited to Kerala State only.
- The paucity of reliable information on this sector is often been strongly felt.
- The reliability of the available information depends on the specific view points from which it is collected. There may be some respondent biases as human mind is fragile and perception and attitude of the respondents; and circumstance may change overtime.
- The collection of data from the customers of Khadi/Handloom Industry in Kerala was difficult as some of the respondents refused to cooperate for attending the research. The hostile attitude and the rough manners of some of the respondents delayed data collection.

1.10 Chapterization

Chapterization of this book has been done in seven chapters. The first chapter gives an introduction to the research study. It describes the concept of marketing practices and handloom industry in Kerala. The research problem, significance, scope, objectives of the study, hypothesis set for the study, location of the study, anticipated outcome of the study and chapterization has been outlined in the chapter.

The second chapter describes the available literature related to Handloom and Khadi industries, has been reviewed. It includes various research contributions related to the present study. The third chapter describes the theoretical framework of the study. It attempts to explain the proposed model and explains different variables used in the designed proposed research model in the study. The fourth chapter draws an overview of Handloom and Khadi industries in Kerala. It covers the growth and relevant developments of Handloom and Khadi sectors in Kerala. The fifth chapter mentions the research methodology used in the present study. Population of the study, sample and sampling design, schedule formation, methodology adopted for data collection and analysis have been included in the chapter.

The analysis and interpretation of the data is explained in the sixth chapter. Here, 6.1.1 mentions the prevailing marketing practices in Handloom and Khadi textile industries in Kerala. 6.1.2 deals with the variables identified to assess the perception and satisfaction of customers towards marketing mix and brand image of Handloom and Khadi textile industries in Kerala. For the analysis of theoretical model and detailed explanation of the results of the primary data collected, the data analysis chapter has been divided into 6 parts. Part – 1 (A) deals with the analysis of the quality (i.e., sample size adequacy, missing value verification, outlier identification, normality analysis, multicollinearity analysis, randomness of data and data independence analysis) of primary data collected from the customers of Handloom and Khadi textile Industries in Kerala. It has been done using various statistical tools. Part – 1 (B) deals with validity and reliability analysis of scale developed by the researcher. Part -2 presents the demographic profile of the customers. It has been assessed using percentage analysis. Part -3 explains the relationship of demographic variables with marketing practices and customer satisfaction and loyalty and its moderating effect choice overload. It has been analyzed using t- Test, MANOVA and One-Way ANOVA. Part – 4 presents the analysis of theoretical model of Marketing Practices on Customer Satisfaction and Loyalty Dimensions. It has been done in three stages: a) Framing Theoretical Model b) Assumptions lead to Hypotheses Formulation and c) Validation of Proposed Model of Marketing Practices and its influence on Customer Satisfaction and Loyalty. Validation of the proposed model of marketing practices and its influence on customer satisfaction and loyalty has been performed using Structured Equation Modeling (SEM). This part has been presented in two phases. In the initial phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 1 without moderation effect of choice overload has been carried out. In the later phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 2 with moderation effect of choice overload has been executed. Part – 5 exhibits a generated model of Marketing

Practices on customer satisfaction and loyalty of Handloom and Khadi industries in Kerala based on the analysis of data collected and substantiated and also suggests strategies to achieve favourable perception and satisfaction in customers of Handloom and Khadi textile industries in Kerala which in turn creates customer loyalty . Finally, Part – 6 exhibits a modified model of Marketing Practices which explains the strategies to improve Customer Satisfaction and Loyalty of Handloom and Khadi industries in Kerala.

The seventh chapter describes summary of findings, suggestions and managerial implications evolving from the study. It mentions the findings of the research study and proposes suggestions. The list of references used in this book been compiled at the next part of the book. The appendix presents the schedule used in the study, results of various statistical analysis performed in the study and different statistical data used as secondary data.

1.11 Summary

This chapter presents the preface for the study. It explains the significance of the study, research problem, objectives of the study, hypotheses of the study, anticipated outcomes, and scope of the study, location of the study, limitations of the study, chapterization and references. The next chapter provides an elaborative picture of the review of literature performed as part of the study.

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Chapter 2

REVIEW OF LITERATURE

Contents

2.1 Introduction
2.2 Summary

2.1 Introduction

The review of literature plays a significant role in establishing the backbone of any research work. It is felt that rationalization of the present study can be explained by reviewing the available literature on the subject to find out gaps in research.

Traditional Handloom and Khadi products of Kerala are extremely popular for its distinct blend of elegance, simplicity and excellence in design. The Handloom Sector in Kerala stands second to the coir sector in providing employment among the traditional industries of the State. Kerala stood fourth in handloom production in the country.

A number of studies have been undertaken on the Handloom and Khadi industry. A large number of these studies were official in nature, consisting of reports of committees, commissions and working groups appointed by Central and State Governments. Source of the important committees are facts finding committee Handloom and Mills (1942), The Textile Enquiry Committee (1954), the high powered study team on the problems of Handloom Industry (1974), the Meera Seth Committee on Handlooms (1985) etc.

Fact finding committee Handlooms and Mills (1942) made a comprehensive study about the Indian handloom industry. It observed that the crisis of handloom industry is the result of the cumulative effect of a number of factors. These included changes and in the tariff policy, shift in consumer taste and the competition from the mill sector. There were also a general deficiency of dynamism in the industry due to the fact that the majority of viewers were involved in a strong dependency relationship with middle man.

The Textile Enquiry Committee (1954) made an extensive survey on handloom industry. The study concentrated on the technical aspects of the industry. It found that considering the extent of the industry and its problems the assistance provided was inadequate and the need for more substantial help become obvious.

The high powered study team (1974) enquired into all phases of the handloom industry such as organizational, technical and functional aspects. It opined that many of the problems of the handloom industry would be solved by increasing co-operation of industry.

The All India Handloom Conference (1993) discussed the problem of the handloom industry. The conference found that to alleviate all the problems of the handloom government should supply yarn to the weavers at a subsidy rate. To provide employment or a continuous basis, the reservation items should continue and restrict the production of the powerlooms marketing centres should be opened in rural area for the products from the weavers. Additional spinning mill should be established to increase the production of yarn and supply it to the handloom section.

The Meera Seth Committee (1995) reviewed the impact of Government policy on handloom, 1985. It described how the handloom faced during the years after the implementation of the textile policy of 1985.

K. S. Venkataraman (1936) discussed the production and marketing structure of handloom industry in south India. He explained the nature of the relations between production and marketing. The study opined that the systems of production determines the method of distribution. The production was more organized in handloom factories. Marketing was done through agencies like commission agents, mail order houses and so on.

Nanekar (1968) analyzed that by increasing the production of handloom industry substantially nothing tangible can be gained by solving other problems. The long term and important components in earning depends on the productivity of labour a problem ultimately associated with the technique of production.

M.A.Aurlanadam,(1979) analyzed 'A Study of Handloom Industiy in Tamil Nadu', highlighted the problems of weavers' co-operatives in major weaving centers as shortage of quality inputs, technological stagnation and inadequate marketing techniques.

Jain L C (1985) mentioned that protection of handlooms against inequal competition from mills and powerlooms has been the main consideration of our textile policy. He found that not a single handloom weaver was aware of the product reservation scheme of textile policy.

A.SeethaRaman (1987) found on 'Optimisation of Marketing, Production, Financing Systems for Handlooms' focussed on marketing practices adopted by co-optex in relation to the environment. He discussed that a) Cotton handloom fabrics showed a high rate of consumption, b) Product strategies were absent, c) The cash flow of the co-optex was very high during festival seasons, d) Require optimisation of production, marketing and finance was required in co-optex.

C. K. Renukarya et al. (1988) examined the factors affecting the production of cotton handloom weavers' co-op societies using multi-regression model and found that positive correlation existed between yam supply and production of handloom fabrics. He also suggested that administered pricing system will help the societies.

P.Arumukham (1990) studied about 'Tamil Nadu Khadi and Village Industries Board-A Study of Financial Management' dealt with the conditions of Khadi and Village Industries view by Tamil Nadu Khadi and Village Industries Board'.

N.MeenakshiSundaram (1991) in his study on 'Khadi and Village Industries Institutions in Tamil Nadu- A Study of Financial Performance', examined the financial performance of selected agencies of Khadi and Village Industries in Tamil Nadu. It recommended the introduction of production and planning, inventory control and collection drive for rejuvenating the management of working capital and improving them towards the bench mark level.

B.Subburaj (1992) observed in 'A Study of Marketing Strategies *of*' Handloom Weavers' Co-operative Societies in Tamil Nadu' analysedthe nature and extent of marketing strategies by primary handloomweavers' co-operative societies. He suggested that for improvingmarketability of handloom fabrics the Government of Tamil Nadushould make efforts for supply of quality raw materials, dyes, otherinputs, production of high value added items and training ofweavers in modern methods of productions.

P.Sanjay Roy (1993) studied the Performance of Weavers' Co-operative Societies in Tirupura and observed that the majority of the handloom societies have to improve production and sales, improve the quality of dyeing, upgrade the technology used and adopt innovative marketing strategies.

Anupama Jain (1994) found the status of Indian handloom industry and pointed out that technological stagnation, lack of pre-loom and post loom processing, lack of modernisation of designing units, inadequate finance and competition from powerloom/mill sector were the major reasons for the declining growth of the handloom industry.

A.K.Mishra (1994) opined the 'Social impact of Handloom Weavers' Co-operative Societies in Orissa State'. The variables studied in his analysis were family size, educational status and caste groups and he found that women groups are dominating in Co-operatives.

G.N Air (1994) appraised the handloom exports in 1993-94 and observed that handloom made-ups recorded 33.6% growth over the previous year. Cotton exports to Asia and Europeancountries have shown increasing trends while there was a decline in exports to USA and the Oceanic regions.

K.Srinivasulu (1994) observed the problems of handloom industry and weavers and discovered that fluctuating yarn prices have imperiled the weaving community. He observed the rooten use for such sharp price levels in the New Textile Policy announced by the Government of India in 1985.

Abdul Hai Mallik (1994) analyzed the role of co-operatives in handloom industry in West Bengal. He said that the handloom sector has significantly expanded production and employment and also exports. Co-operatives had recorded significant growth rates, the unorganized sector had experienced absolute decline in both production and employment in recent years, particularly after liberalization and globalization of the Indian economy. The study shows that productivity as well as capital output ratio is higher in co-operatives than in other production organization like independent and tied units.

T.R.Gurumoorthy(1996) observed the Operational Efficiency of Tirubuvanam Silk Handloom Weavers' Co-operative Society for a period of five years (1990-95) and found that the financial position of the Society was strong and it had contributed to the socio-economic development.

Aswini Kumar et al. (1997) observed that handloom industry in India is a time honoured cottage industry providing employment directly or indirectly to about 100 million of people. They found that in western Orissa handloom is the most important household industry which has a high reputation for superior craftsmanship. Study also mentioned about the problems of the industry such as lifestyle and economic standard of weavers have not improved in any significant way in the context of India's rural development.

N.Kannan Nair (1998) in his research on 'Khadi and Village Industries in Dindigul District-A Study of Financial Performance', has analysed the trends in production and sales, fund flow pattern and profitability of four KVI institutions in Dindigul District. He suggested a marketing consortium in each District of Tamil Nadu to improve marketability of KVI goods.

Thirthankar Roy (1999) analyzed the small scale weaving factories in Tamil Nadu and their role in the economic growth. The entrepreneurs of powerloom units hailed from handloom group. Handlooms and powerlooms were used to produce the same goods. Particularly the goods produced in powerlooms are the items reserved for handlooms but this has been encroached on successfully by the powerlooms. He asserted that there are about 1,50,000 handlooms in non-competing items such as high quality silk sarees and bedspreads. He also suggested that Government intervention should come in the form of financial incentives for efficient production.

Narasaiah (1999) opined that handloom has a crucial role to play in supporting and strengthening the self-sufficiency of the rural economy. Though the Government of India has taken various steps for its development in five year plans, the working conditions of the weavers didn't improve. He found the problems of the industry such as improper organization, shortage of basic input like yarn, finance, weak co-operative structure, absence of adequate marketing facilities, unhealthy competition from powerlooms and large scale effective measures not have been taken.

Thirthankar Roy (1999) examined the small scale weaving factories in Tamil Nadu and their role in the economic growth. The entrepreneurs of powerloom units hailed from handloom group. Handlooms and powerlooms were used to produce the same goods. Particularly the goods produced in powerlooms are the items reserved for handlooms but this has been encroached on successfully by the powerlooms. He asserted that there are about 1,50,000 handlooms in non-competing items such as high quality silk sarees and bedspreads. He also suggested that Government intervention should come in the form of financial incentives for efficient production.

Narasaiah and Krishna (1999) found that at the production level, the marketing problems of handloom industry was time lag between production and disposal of handloom products; without developing marketing facilities will necessitate protection of the industry for a long time to come at the cost of the public exchequer of labour to their units; weavers facing the problem of lack of skilled labour; problem of payment of higher wages; weavers were very poor in the production of the modern skills; there was a great need to learn modern techniques in weaving activity to get more income; there was a difficulty with the equipment i.e., there was a requisite to familarise with modern equipment that can generate more income; non-avaialbility of raw material and diversity of the marketing agencies due to unorganized condition of the handloom industry.

V.Murthy and T.R.Madanmohan (2000) studied the problems associated with the distribution of handloom goods through co-optex, Tamil Nadu. They suggested measures are, (a) revamping of procurement warehouses to six centres instead of 15 regional warehouses (b) supplying 70% of the requirements of a showroom one month before starting of the season, (c) timely flow of information between regional warehouses and showrooms, (d) meeting sudden demands of the showrooms with personal direct contacts, (e) strengthening the information processing through installation of computers in showrooms and warehouses.

Niranjana Seemanthini (2001) opined that in handlooms, traditional linkages between production and marketing of handlooms have been eroded, with no clear institutional replacement. Handloom weaving has been continued over hundreds of years, though the producers' relations to the market have definitely been changing. The traditional market for the Indian craft has been, for centuries, the local market. While the high-end textiles served the courts and wealthy, ordinary folk wore and used the product of the village

weaver, dyer and printer. The legendary dominance of the Indian cotton textile in the world market between the first and the 18th centuries was built on this solid, unshakeable connection between local production and local market. British Rule has been brought about changes in the handloom industry in India. The Marxist school of thought has been argued that colonial contact destroyed pre-existing industrial systems and brought about economic retardation. During the last century of British rule, the dynamism of the indigenous artisan economy has been changed in the conditions under which cloth was produced and sold. So rather than get completely wiped out, handlooms continued to survive. This has been made possible through an organic process of adaptation of organisational structures that made it possible to reach new and distinct marketplaces and enhance production efficiencies. Though purely local markets declined, new markets in other countries and within India provided opportunities for growth. Further she examined that as markets changed, the marketing intermediary linking dispersed producers with distant markets also changed. Traditionally, the weaver and customer were bound together in a close and direct transaction in the small village communities across India. In many places, apart from the common person, weavers found an important source of support in royal patronage as well. When overseas trade opened up in the 17th century, the position of the trader (or the master weaver) as the key supplier of cloth to distant markets got consolidated. The master weaver has been continued to play a leading role in handloom marketing initiatives. But being in control of market information and capital, the master weaver tended to take advantage of (and in many places exploit) the weaver-labourer. Weaver cooperatives were envisaged, around the early 1940s, as an alternative to this structure. Between them, the master weaver structure and the cooperative structure accounted for the bulk of production and marketing activities in the industry. Under the cooperative structure, there are hundreds of primary weaver cooperatives, which are integrated into an apex centralised marketing body. These apex agencies typically had showrooms in all big cities, providing an important link between the producer and the consumer for several decades after independence. However, since the mid-1990s, most of the apex handloom marketing bodies have been unable to respond flexibly to the market or even to capitalize on traditional products due to systematic failure and financial irregularities. The result is that despite the huge potential of the handloom market, mechanisms for linking the dispersed production base to distant markets are not in place.

Niranjana Seemanthini et al. (2001) observed that handloom marketing initiatives have been influenced by other trends as well. The Festivals of India (in France, US and Britain), initiated in the early 1980s, created considerable visibility of Indian handlooms in the world market. This led to a flurry of largely revivalist attempts to systematise and harness craft production taking into account the new demands. Around this time, a few NGOs also emerged as new intermediaries, whose primary attempt was to work on developmental and/or livelihood issues in the crafts and handlooms sector but who also took up marketing as a necessary support to this. These interventions were on a comparatively small-scale and served to create potentially replicable models and systems.

Gurumoorthy and Rengachari (2002) observed the problems of handloom industry in Tamil Nadu. The sudy found that shortage and irregular supply of yarn, price fluctuations of yarn, poor sales and consequent accumulation of stock, poor working capital, demand for textiles only in festival seasons due to discounts policy of government etc were the major problems faced by the handloom sector. They suggested that handloom sector should follow a marketing concept rather than a sales concept. For that constant feedback of market intelligence and setting up of strong production base were essential.

Dr. P. Nayak and S Krishna Kumar (2003) conducted a study on consumer preference of Hantex\Hanveev Showrooms from a panel of house hold. Their study also examines the performance of Hantex in the contest of its objectives enshrined in the bye-laws having a basic mandate to help developing the Handloom Sector in Kerala.

Diagnostic study of handloom weaving cluster Chanderi, Madhya Pradesh under the aegis of Government of Madhya Pradesh and UNIDO Cluster Development Programme (2003) observed that Chanderi handloom weaving cluster faced the problem of dyeing issues i.e., clolur-run with the fabrics produced in the cluster; weaving without the knowledge or feedback from the markets. So limited possibilities of product diversification according to consumer preferences; lack of social capital and competition from powerloom.

Kamdica (2003) observed that the concept of marketing for Khadi is that of humanistic and ecological concept. One of the most important objectives of producing and promoting Khadi is that it provides rural employment. The welfare of the poorest of the poor is concerned. Khadi is eco-friendly. The dyes used to colour Khadi clothes are "vegetable dyes". The vegetables or fruits in this case are grown for the colouring purpose specially. In case of Khadi, chemicals are not used and thus, skin diseases are prevented. By using Khadi we can also protect our environment because Khadi is spun by hand, woven by hand and processed by hand. Industries other than Khadi, while making clothes use machines which automatically leads to pollution but since the Khadi products are made by hands the pollution levels are negligible.

Niranjana Seemanthini (2004) found that over the last decade and a half, the retail market in India has undergone considerable change. With the entry of a host of goods produced by transnational corporations into the Indian retail market, the rules of the marketing game are changing fast. This extends not only to the style of presentation (for instance the style of shop interiors), but also the articles sold (whether it is processed food or shoes). This changing market scenario has tended to see the traditional Indian hand-woven fabric (or handlooms) and other artisan products as peripheral to, rather than a part of daily use, leading to a mismatch between the large-scale production structure and the narrow market. But this situation also provided immense scope for market exploration and posed challenges for producer—chain innovations by both the old and new players. It paved the way for the emergence of a significant number of new players, in addition to the earlier structures of "master weaver/cooperative/government emporia". These range from big chain retail stores with a modern retail format to well-established traditional chains, which continue to expand. There are also smaller retailers in small towns, and NGOs seeking to set up market links for the producers they worked with. Some are hugely successful, others are still trying to find their feet, and their modes of relating to producers are also different. Some target specific market segments through a cooperative structure, other are private entrepreneurs engaged in handloom trade. The efficacy of these initiatives depends significantly on how the market is worked, and builds on particular understandings of the kinds of demands for handloom cloth.

Reena Mital (2004) observed that almost 86 per cent of the handloom units in the state are under the co-operative fold, the co-operative societies have played a half-hearted role in developing this sector. She also points out that Hantex and Hanveev are the two apex organizations in the Kerala handloom sector, played a very important role in yarn procurement, with cooperatives depending on them for only around 17.47 per cent of their total yarn requirement, the remaining being sourced from the local yarn dealers due to non-availability of required yarn in time from the Hantex. This is despite the fact that Hantex is concentrating on the marketing of handloom products and supply of yarn to weavers.

Chatterjee Amit K. (2005)evaluated that handloom and power looms are mainly used to manufacture various home furnishing products like table mats, durries, cushion covers etc. Though these products are manufactured in many states all over India - two geographical pockets have excelled in production and export of home furnishing products: Karur in Tamilnadu and Panipat in Haryana.

The Ford Foundation (2005) found that handloom weaving has been historically favoured by government action, receiving input subsidies and price supports and so on. Indian economy is undergoing non-precedent changes since the introduction of New Economic Policies in the wake of globalization and liberalization. This means that handloom weaving which, enjoyed protection-led growth is bound to accept a kind of competition led growth. Precisely, the handloom sector also has to go through the mill and prove its merit so as to survive in the global market currents.

Ghosh, Suntu Kumar; Akter, Md. Shahriar (2005) viewed that handloom industry in Bangladesh is having glorious past, questionable present and blurry future due to a lot of internal and external factors that are acting behind the scene. In this paper, we have identified those predominant factors that are moving the wheels of this industry slowly. And among them, shortage of working capital, high cost of raw material procurement, lack of organizing capability, inadequate technology and efficiency, and lack of policy support are major forces which are bitterly hit the handloom industry.

Sivakkannan M. (2005)observed that The Handloom Export Promotion Council (HEPC) is well aware of its role as a catalyst in revitalizing the handloom industry in the context of the post-Multi-Fiber Agreement era to cater to the increasing global demand.

Jayaswal Rajeev (2005)presented that desi looms are fast changing into dollar minting machines. Growing demand for ethnic Indian products abroad has caught attention of foreign entrepreneurs. Encouraged by the growing foreign interests in Indian handicrafts business, domestic exporters have decided to set up handicrafts and handloom stores abroad.

Ramanurjan (2005*)* showed that a plan for the maintenance of skills through the Gurukulam concept has been framed to stop the migration of children of handloom artisans. A school of weaving on the pattern of Gurukulam will not only cherish the talents of the `disciples', but will surely generate a amiable atmosphere to make them proud of their profession.

Sivakkannan M. (2005)studied that the Handlooms (Reservation of Articles for Production) Act, 1985 was enacted to reserve certain items for the industry. The Planning Commission recently constituted a Steering Committee on Handloom to make recommendations and take the industry to a state of strength and provide inputs for policy formulation. In the latest EXIM Policy, Madurai, Karur, Kannur and Panipat have been declared towns of excellence in respect of handlooms and a number of fiscal concessions were made available.

Boyanagari Nagaraja and Vooka Ramesh Babu (2005) found that a significant increase in production of cloth has been brought primarily by improving the productivity of labourers engaged in handloom weaving particularly with loom sizes of 6-10 and 11-15. It has also necessary to utilize capital invested in the sizes of up to two and 3-5 looms for tapping their potentiality. A more intensive utilization of weaver-laborers engaged in size groups of 3-5 and 6-10 looms is necessary. Their analysis shows that the growth of labor input is the predominant source of growth of production in handloom weaving and it has a positive correlation with the size of the looms in operation. Assured marketing facilities through relevant government intervention protects the weavers from ‘distress sales’ and offers a fair price for the handloom products to improve the productivity of labourers in handloom weaving units.

Niranjana Seemanthini et al. (2006) viewed that handloom industry has a dispersed production base, in the sense that producers are spread across numerous villages and towns, unlike a centralized factory-based production. It has been largely home-based, with labour inputs form the entire family. Also it has been diversified in terms of products ranging from coarse cloth for local needs to a range of medium and fine fabrics for a larger (usually urban) market. The modes and relations of production are also very diverse. There are independent weavers, weavers organized into cooperatives and those working under master weavers. Typically, under the cooperative structure, raw materials come from the cooperative, with capital support from the state. The final product is also supposed to be marketed by the state-owned apex marketing bodies. There have been several problems along the production-marketing chain in model. All weaver members do not have continuous employment, either due to irregular yarn supplies, or due to collapse of the marketing agencies. This compels weavers to turn to master weavers. Under this system, the master weaver himself makes the investment in yarn; weavers directly under him weave the product, and the final product is marketed through the master weaver’s own networks. Independent weavers are few and far between, due to the problems of accessing working capital as well as markets directly. The present day structure and profile of the industry have also been influenced by the State’s policies. The potential of employment and the value of preserving the cultural heritage played an important role in guiding policy formulations. Up to the mid-1980s policies have been continued in the direction of protecting the small-scale dispersed industry from the centralized industrial sector. But in the textile policy of 1985, emphasis was on efficiency and increasing productivity. The succeeding policies of the 1990s and in 2000 further undermined the validity of the industry i.e., a mix of welfare and a seeming concession to the employment potential of this sector. Nothing have been done for investments in infrastructure or creating the right conditions for business development in handlooms. Handloom production uses simple low cost tools and equipment that can be easily adapted to produce specialized goods which is a characteristic of artisan production (part of the large “informal” manufacturing sector) as opposed to mass production in which specialized equipment is used to produce standardized goods.

Shingi P. M. (2006)found that a village level handloom co-operative, brings out several dimensions in relation to the existence of handloom industry. He has also pointed out that very low level of wages given to the handloom weavers is the major cause why the weavers are leaving handloom and entering into other trades which promise them relatively more earnings.

PTI (2006)presented that 'Great Indian Heritage Promotional Scheme' aims at branding Indian handloom products and acquire a niche market for them in domestic as well as international markets.

Sharma Shantanu Nandan (2006)showed that North-East India may soon have a business facilitation centre to train first generation entrepreneurs. This along with the proposed design house for handloom and handicraft products in Guwahati may help young entrepreneurs and increase export volume. The proposed business facilitation centre will help guiding these entrepreneurs. Several government and semi-government agencies like NEDFi, National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), Development Commission (Handloom), state handloom and handicraft commissioner's office are working on the same agenda with no synergy among them.

IST (2006) opined that Punjabis could soon provide the justification of existence of the ailing handloom sector in India as the state becomes the biggest consumer of handlooms. New machines have also been provided to weavers to improve product quality.

Nidhi Srinivas (2006) remarked that handloom weaving uses rudimentary non-mechanized technology with cotton or silk material. Usually one person works in a pit loom, weaving the warp and the weft into a textile. Handlooms have been consisted of one-fourth share of the total textile production in India. Handlooms have been seen as traditional products that showcased regional weaving styles. The sector's potential was seen in terms of providing rural employment (Mukund & Sundari, 2000), less in terms of market-driven products, more in terms of representing Indians' historical repository of skills. Weaving is an occupation that is still handed down from generation to generation through apprenticeship. And while technical assistance, training schemes, and even modern technologies (like CAD/CAM design) can help weavers, ultimately they must still learn to generate a textile through learning by doing. This form of knowledge and its transfer has been lose in the presents and futures of India, due to neglect and a changing market. Historically Indian handloom policy has been shaped by two big ideas: that national identity was profoundly shaped by a craft and weaving tradition; and that India's high unemployment required discouraging urban migration (Brijbushan, 1976; Chattopadhyay, 1986; Greenough, 1995; Mukund & Sundari, 2000; Ramamurthy, 2004). The second big idea had to do with employment. Policy-makers have been believed labor-intensive occupations such as weaving and handicrafts could be the basis for a significant village based economy (Brijbushan, 1976). Handloom production did not require an industrial base. Weavers have been remained in the village, self-employed, self-reliant. At the same time for weavers to survive they have been required marketing assistance. To generate high urban demand, policy makers have to evoke a traditional aesthetic while offering utility to the end-user. The perception about the handloom is that it is produced by traditional weavers, impervious to change, unwilling to innovate, not open to new designs and unwilling to face competition. But still there is a rapid growth in demand for handlooms as a sign that the market is strong. In reality the support by the Government of India for the handloom sector has been gone to power-loom manufacturers alone (Niranjana, 2004). And the causes for the crisis in the handloom sector are the consequence of a particular set of handloom policies (a set of regulatory guidelines, budgetary commitments, and government-directed initiatives) established by the Indian government, and the institutions designed to implement them. In the present scenario, the crisis of handloom is that most of the handlooms policy has been geared not for niche-products but mass-products emphasizing production techniques over design. For a sector of manual production one difficulty has been in the standardization of products. Another problem has been in the changes in consumer perceptions of handloom textiles. Consumers no longer seek a unique regional identity through their choice of clothing; rather it has been in the potential for the design itself. While cooperatives traditionally acquired skills in producing rare and unique weaving techniques, the challenge today is in translating such expertise into attractive product designs.

Kanitkar Ajith (2006) opined that the problem of credit flows to the handloom sector was very much related the working capital management of the handloom business. Several aspects such as marketing, design, technology, skill upgradation etc decides the performance of the sector. There were no significant policies in

the past to provide credit to weavers and stakeholders outside the co-operative sector. The study showed a consistent decline in institutional credit.

Academy for Management Studies (2007) observed that handlooms are environment-friendly and it is an independent and autonomous technology. Energy impacts are almost zero. The sector thus has been lend itself to sustainable development policies aimed at reduction of negative impacts on the environment and ecology. Again AMS remarked that many handloom centres are well known tourist spots, drawing visitors from far places of India and foreign countries as well. Thus, the tourism industry's fortunes have been in part influenced by the handloom sector and its fame. Handloom sector in India operates within a larger textile industry that is quite different from the one within which it operated in the first half of the 20th century. Today power-looms dominate textile production in India and have been encroached upon the handloom sector's traditional market. Many handloom weavers do not have enough raw materials due to its diversion towards power-looms. The steep rise in cotton yarn prices without a corresponding increase in handloom product prices has been meant that production in some places has had to be suspended, destroying the livelihoods of handloom weavers and laying off handloom wage workers. The study also mentioned that the quality of rawmaterials i.e., yarn, chemicals and dyes which are used to produce handloom are of high quality and the price to procure these rawmaterials from NHDC has also been very competitive in nature i.e., a price which is lower than the prevalent market prices.

B. K. Sinha (2007) observed that the Deen Dayal Hathkargha Prothsahan Yojana (DDHPY) introduced by the Government India is a comprehensive scheme for the development of the handloom industries. The assistance provided by the Government of India is sometimes insufficient considering the wages and quality of living in Kerala and hence it may be supplemented by States Schemes.

Rinku Das (2007) viewed that the industrial cluster is not a new phenomenon. It has evolved in a Process after passing through numbers of economic theory developed starting from Location Theory in 1826 by Ven Thunen, Marshal's Industrial District Theory (1920), Max Weber's Industrial Complex Theory (1950) and Industrial Cluster Theory by Michal Porter (1990). The cluster concept has attracted many policy maker, academicians and researchers as a vital strategy for rural development (economic and industrial). Today, the developed and developing economy implementing cluster concept as an instrument for the development of rural small and households industries and also for the development of communities related to these industries. Generally the cluster concept suggests a change in the units of analysis from isolated firms to a network of firms, which have an advantage of effective local knowledge up gradation, skill development, empowerment of local community, caste people and innovation etc. In North East thousands of small and rural households industries are operating among village communities and different caste. These industries are based on local resources and traditional skills available with the rural people of NE (e.g. cane and bamboo, pottery industry, silk cloth making, brass metal and Bell metal, Terracotta etc.). Rural households industries have been acting as a sustainable livelihood for the rural people in NE. In spite of various attempts by the central and state government these rural households industries in this region are not performing up to the mark. To give new life to the existing small and rural industries the government (Central) has adopted the policy of cluster development. This will provide competitive advantage to the firm in three different ways, namely productivity, innovation, and formation of new business firms. This paper will highlight on the cluster development initiatives in NE and their implication on rural economic and industrial development.

Dr. Monica Bansal and Dr. Arti Gaur (2008) stated that handloom industry not only has been helped in creation of ample opportunities of employment especially for the labour class but also it helps in earning a lot of foreign exchange, which strengthens the economy of our country. Keeping in view the importance of Handloom Industry, generation of employment opportunities and foreign exchange earnings, there is financial help from the Government from time to time for the encouragement and establishment of new units of such type. The handloom industry has been developed a lot over a period of time. It has been spread throughout the country. Since most of the handloom units are run either as sole-proprietors or on partnership basis and the owners lack the needed professional outlook in the overall handing of their units, many of them are not even aware of the modern techniques of marketing such as product development, brand promotion, packing, advertising market, surveys and demand forecasts. To maximize their sales volume, it has been become very important to know how one can get maximum result/response by using different marketing

strategies. To provide satisfaction to customers there is need of the study of marketing practices. For determining price of handloom products, various factors which has been considered are cost of production, competitor's price, product demand, market conditions and consumer's paying capacity etc. In Panipat (Haryana), a registered brand-holder undertakes the guarantee to maintain quality standards of the handloom product and make it know to the customers through advertisement and publicity. The basic function of branding is to help the customers identify the product and producers or sellers provide an opportunity to earn goodwill and repeat patronage.

Sarvani Vaddi (2008) viewed that in Andra Pradesh, majority of the weavers of Khadi and Handloom industry are middle aged and more male weavers has been involved in whole time weaving, from all the religions but were confined to few communities only. Inspite of high skills and efficiency to work, poverty has not been permit the weavers to go for higher education. There has been a strong will expressed by the weavers not to continue their children in weaving, because even a small job in other fields, fetches more earnings. The yarn colours, designs has been decided by the Master weavers, based on market demand and consumer preference. The independent weavers has been invented new designs as per the orders from consumers. The overall situation of weaving profession has not lucrative now-a-days, as it was before and during freedom movement. The study also observed that master weavers has been found to be doing lucrative business compared to co-operatives that were mostly dormant in Khadi and Handloom fabrics. The financing has been done by KVIC and cooperatives in Government sector. Most of the visitors to Government Khadi and Handloom outlets are middleclass people to avail the rebate offers in festival season, whereas private Khadi and handloom outlets has been attracted by high income groups also, in higher number. In Andra Pradesh, 65% of consumers are aware of Khadi and Handloom fabrics and purchasing and using it regularly as a traditional wear due to its positive qualities of handwoven fabrics emphasizing the inbuilt comfort, natural colours and swadeshi feeling.

Narasimha Reddy (2008) stated that though handloom industry employs a massive number of rural people, it has been considered as a sunset industry due to the troubles come from mechanization, modernization and sophistication.

Meher S. K. (2008) in his diagnostic study of handloom cluster in Bargarh, Orissa found that handloom clusters had a strong local market. It supports marketing of handloom cloths through number of sales outlets and local traders. A good number of local inhabitants were the consumers of the cluster product. Small orders could be fulfilled as the handloom fabrics were manufactured on short length. The study found the issues in marketing such as competition from powerlooms, seasonal demand of product, poor linkage with big traders, no fixed pricing structure etc. He suggested that to achieve a strong market base of the cluster, direct market linkages with big buyers has to be improved. For such markets good quality raw materials developments in fabric designs, good dyeing quality and product diversification were needed.

S. Rohini (2009) stated that Khadi has been strayed from its objective of providing a livelihood to artisans in rural areas. For preserving the ethos of khadi, rather than just tinker with the existing system a restructuring of the Khadi and Village Industries Commission is necessary. The potential of khadi needs to be exploited for its inherent worth rather than it has been supported for charity. She stated that the challenge which has been faced by Khadi is to change the mindset towards khadi products: to move away from the welfare approach and publicise their unique selling proposition (USP) – handcrafted, hand-spun, energy saving and healthy products. She observed that people should buy khadi not as a "national duty" or "act of charity" but because it is fashionable, admired the world over, and intrinsically of high value. A major problem of khadi which has been found by S. Rohini is that the wage payments are irregular and generally made only after the permanent employees of the society receive their salaries. In the sale of Khadi the focus is on charity and appealing to the "goodness of people's heart", not on the value of the product itself.

Center for Research, Planning and Action (2009) in their study 'Customer Satisfaction Survey for Mill Gate Price Scheme' for National Handloom Development Corporation found that the customers, i.e., dealers of handloom of National Handloom Development Corporation, satisfaction depends upon the quality of yarn, time taken for delivery of yarn, mode of transport, system of reimbursement, entire order being met by NHDC, Correspondence, courtesy extended to customers by NHDC etc.

Geetanjali K. and Nagabhushana E. (2011) opined that handloom industry is a part of the Indian culture and tradition. From the view point of caliber and efficiency, the handloom weaver always possesses a pride of place in the cultural life of the Indian people. From times immemorial, India has attained a high water mark of excellence in the manufacture of fine fabrics. The tradition of handloom weaving in India has been long and glorious and the skill of the hand spinner and handloom weaver of a very high order. The artisans of India are also known from early times for hand spinning, hand-printing and hand-dyeing. Historically it is evident that hand weaving was in existence in India for over five thousand eight hundred years now. Handloom industry, the largest segment in the unorganised sector, plays a vital role in India's socio-economic development. Being an important traditional craft, it occupies an important place in the decentralized sector of the Indian economy. The industry has a long tradition of excellence, forming a part of ancient cultural heritage. Being a traditional cottage industry and highly labour intensive in character, the industry provides employment to a large number of people and next to agriculture in rural areas. Because of its labour intensive character and capacity to generate large-scale employment opportunities, the handloom industry has come to occupy an important place in the economy of the country. Nearly 19% of the total production of the Textile industry in India comes from handlooms.

Kuldeep Singh and Monica Bansal (2012) studied that the handloom industry has developed a lot over a period of time. It was spread throughout the country. Since most of the handloom units were run either as sole-proprietors or on partnership basis and the owners lack the needed professional outlook in the overall handling of their units, many of them were not even aware of the modern techniques of marketing such as product development, brand promotion, packing, advertising market, surveys and demand forecasts. To maximize their sales volume, it has become very important to know how one can get maximum result/response by using different marketing strategies. For increasing the export, to provide satisfaction to customers there is need of the study of marketing practices.

Santhosh Kumar Rai (2013) discusses the complex nature of handloomweaving in market relations and the household production in the north Indian region of eastern Uttar Pradesh in the first half of the twentieth century through studying a Muslim weavers' community known as *Julahas*. The entire community chain active in the process of handloom production in a micro-region was appropriated in a new relation of commodity production. Therefore, the article focuses on the emergence of capitalist conditions that enabled connections, affiliations, and exclusions in the networked relationships of social communities. In basically a labour-intensive, low-cost household production, the structure of the production process was defined by the need to purchase yarn and pay for living expenses of the weaver and his dependents while the cloth was being woven. The historically unequal connections operated through the social power balance of community and those in families (between husbands and wives, parents and children) found new meanings in bargaining situations of labour markets. A direct involvement with the loom and weaving ensured that the master weaver would directly come from the weaving population and should be Muslim as well. The mechanism of advancesand ***karkhanadar's/grihasta's*** position in the community ensured that weaver/labourer would remain under a constant moral and social pressure to follow the 'capitalist mode of production.'

Dutta Sutapa (2013) in his study about Dhaniakhali handloom industry viewed that a large number of specific weaver caste 'Tanubay' were efficiently conducting their heritage craft. They were presently engaged under different co-operative societies from where they collect raw materials for weaving and returned the finished products to the societies in exchange of wages. These handloom products were distributed in local markets, all over India and abroad. The study found that there were problem of marketing low quality products of other handloom centres in the brand name of Dhaniakhali Handloom. Another one is that the next generation weavers were not interested to accept weaving as a profession. He suggested the solutions as Societies should implement proper plans and policies for the weavers, innovation of designs by CAD trained designers, introduction of new types of dressing materials; and huge production and marketing development were needed for the innovation and renovation of the industry.

Goswami R and Jain R (2014) studied the problems of the handloom industry. The study exposed that the handloom organizations were not following any suitable strategy for procurement of raw material, product planning and promotional activities. They suggested a differentiation strategy to improve the handloom sector.

Mishra Pallabi (2014) studied the degradation of the image of Khadi clothes in the customers mind. The study found that in spite of tough competition from other textiles khadi has been survived. Khadi is hand-spun with the help of charka i.e., spinning wheel distinguishes it from handloom whereas on the other hand handloom yarn is processed in the mill. This makes khadi unique and it keeps the wearer warm in winter and cool in summer. The greatest advantage of khadi is that it carries the lowest carbon foot print. Production of one metre khadi fabric consumes just three litres of water against 55 litres consumed in a conventional textile mill. It production process do not generate any toxic waste products. In the study it is mentioned that the degradation of the image of Khadi clothes in the mind of customers. He analyzed the change in the attitude of three generations like baby boomers, Gen X and Gen Y and their preferences and liking in clothes. He concludes that there was difference in the attitude of three generations taken for the study. So marketers should formulate marketing strategies for all the generations separately.

Tasneem Shazli and Abdul Munir (2014) found that manufacturing industries help to reduce poverty and unemployment in a variety of ways. The economy of a country is observed as a reflection of industrial development and work force participation. In the past, females were not treated as an integral part of the labor force; they entered the labor market after the introduction of machines. They were largely employed in those manufacturing industries which required less and semi-skilled female workers. During medieval period skilled Muslim weavers came to India along with Moguls and found Varanasi and its surrounding area's local climate conducive to handloom production. As a result, the study area in eastern Uttar Pradesh became an important site of weaving industry. The objective of this paper is to assess the female work participation in handloom industry of Mubarakpur town. The study is based on the socioeconomic conditions, derived from primary data collected through questionnaire. Results show that weaving is the major occupation of Mubarakpur town, as there is high concentration of handlooms. The major reasons which forced females to do work in handlooms are economic necessity, unemployment, poverty, low income, low literacy and education and large family size. A gradual decline of the handicraft industry in Mubarakpur town in the last few decades due to economic and political reasons has caused a setback in the condition of female weavers. Thus, the government should address the issues relating to the female work participation and chalk out an action plan for the upliftment of poor female weavers.

Uma Sharmistha (2015) viewed that the informal sector in India, as in other developing countries, is a source of employment and livelihood to an overwhelmingly large proportion of workers. Although the urban sector has been widely studied by social scientists around the world, not much research has been done on the non-agricultural rural informal sector, which has witnessed significant growth in the recent past. Based on an ethnographic field study of the handloom workers of Bihar, India, the article briefly describes the production process in the handloom industry, and drawing from the critics of economic development theories, it tries to explain how social networking in the rural labour market can affect economic outcomes. The findings of the study illustrate a unique kind of social networking in the handloom industry arising from caste and religion, which can be associated with notions of embeddedness and social capital.

Kumar Surya (2015) observed that handloom sector had a record production 7202 million square meters during the year 1995-96 and it was increased to 7116 square meters in the year 2013-14. The growth was registered positive accounting 1.4 per cent per annum and statistically positive significant at 1% level. The biggest destination of India's Handlooms products is the USA followed by the European Union. In the year 2013-14, the highest fund goes to Tamil Nadu state from the central assistance accounting 28.59 percent of the share of total central assistance followed by Uttar Pradesh (26.59%), Andhra Pradesh (21.22%), Gujarat (9.42%), Haryana (5.15%), West Bengal (4.75%) and Kerala (4.29%).

Jain and Gera (2017) said that handloom is facing multifarious problems. Though Government of India is supporting for the development and improvement of their productivity and marketing weavers are still facing the crisis to find a livelihood. They suggested that weavers should be given proper training and they should provide market intelligence so that they can produce handloom textiles according to the need of the present customer interest.

A new look at marketing practices of handlooms, building on its strengths such as innovation and flexibility paves way for great importance in this context. This study intends to explore some of the marketing aspects in the context of handloom and khadi markets and marketing experiences in Khadi and Handloom industries

i.e., the relationship between the production of cloth by Handlooms and Khadi industries and market theory. It also intends to highlight certain trends and processes that typify how Handlooms and Khadi and the accompanying practices of production, pricing, distribution, promotion and exchange work with markets and marketing institutions. In doing so, it offers suggestive insights into understanding marketing practices of Khadi and Handloom Industries in Kerala.

2.2 Summary

Numerous literatures are available on the diverse aspect in connection with the Handloom and Khadi industries in Kerala. But those researchers mainly focus on the employment capacity, welfare schemes, problems of weavers, problems of production, fund utilization, subsidies given by the government to the Handloom industry in Kerala, consumer preference of Hantex/ Hanveev showrooms, schemes of Kerala Khadi Board etc. Anyhow limited researches have been conducted by scholars regarding the marketing practices of Handloom and Khadi industries in different states other than Kerala. Studies on the effective marketing practices of Handloom and Khadi industries in the Kerala context in the ongoing era of globalization are virtually nil. By this study researcher intends to bridge this research gap.This research study titled "*A Study on Marketing Practices in Handloom and Khadi Industries in Kerala*" is attempting to examine marketing practices followed by Handloom and Khadi industries in Kerala and explores the different variables of marketing practices i.e., marketing mix and brand image determining the customer satisfaction and loyalty in Kerala Handloom and Khadi industries.And also wants to measure the perception and satisfaction of customers towards Handloom and Khadi Industries in Kerala. So far, no comprehensive and systematic study has been carried out for the above purposes.

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Chapter 3

THEORETICAL FRAMEWORK

Contents

3.1 Introduction
3.2 Preliminary Theory Development
3.3 Research Model Development
3.4 Operational Definitions
3.5 Summary

3.1 Introduction

The theoretical framework of the study forms the structure that can hold or support a theory of a research work. It provides guidelines in determining what to measure and what statistical relationships should be analyzed in a research. Theories are constructed in order to explain, predict and analyze relationship between variables of interest in the study. A theoretical framework provides a general representation of relationship between variables under study. On the other hand, a conceptual framework embodies the specific direction by which the research will have to undertake. In statistical point of view, the conceptual framework describes the relationship between specific variables identified in the study. While the theoretical framework is the theory on which the study is based. The conceptual framework is the operationalization of the theory. As with any relational analysis, development of a conceptual framework assist the researcher to complete two processes as suggested by Bliss et al. (1983):

- Gives a broad scope to thinking about the research and conceptualizing the problem.
- Provides a means to link ideas and data so that deeper connections can be revealed.

This chapter also elaborates the procedure by which various hypotheses are developed based on the model developed for study.

3.2 Preliminary Theory Development

The major constituent which are significant in marketing practices study includes:

- 4 P's developed by Mc Carthy
- Brand Image
- Customer Satisfaction
- Loyalty and
- Choice Overload

The main objective of marketing practices research lies in regular evaluation of critical variables which affects customer satisfaction for designing strategies to meet and exceed customer expectations or values by delivering exact product in order to create loyalty in customers. Continuous efforts in improving brand image, product attributes, place characteristics, price affordability and promotion effectiveness perceived by the customer tend to develop satisfaction and loyalty or to create favourable retaining of customers (Rejikumar, 2013).

Management in modern times has evolved from a production oriented to sales oriented and then marketing oriented view of business. In this context, marketing becomes relevant to a country like India in the same way, as it is relevant to highly industrialized and affluent countries. For many products, India has already reached a stage, where the problem is not of supplies, but of marketing advocates. The marketing concept advocates a careful planning and implementation of marketing activities with particular focus on customer satisfaction. In the large sector, which has the advantage of being an organized one, with people sharing the various roles and responsibilities, marketing functions receive a professional touch. However, with the cut throat competition existing in the market, the marketing task becomes difficult. In early days, the plight of public sector undertakings are all the more aggravated as they lack an organized marketing system. They are hardly aware of the various marketing strategies or are unable to use them to reach the masses, thus posing a serious problem in marketing their products.

Marketing is the basic reason for the existence of an organization. In the age of fast changes, marketing is the springboard of all activities. It works as the guide for all business/non-business organizations. It is a powerful mechanism which alone can satisfy the needs and wants of consumers at the place and price they desire. Marketing satisfies our needs by providing form utility, person utility, exchange utility, place utility and time utility (S. Namakumari, 2001).

Marketing can occur any time a person or organization strives to exchange something of value with another person or organization. Thus, at its core marketing is a transaction or exchange. In this broad sense, marketing consists of activities designed to generate and facilitate exchanges intended to satisfy human or organizational needs or wants. Marketing focuses on the activities carried out by organizations to facilitate mutually beneficialexchanges(Etzel, Walker, Stanton, 2005).

Marketing Practices

Marketing practices offer striking insights into understanding how persons, organisations and firms negotiate the market in different ways. Behind every market negotiation lies a gamut of players (each of whom are embedded in a range of institutional networks), who both use and generate knowledgeable about the marketplace in the course of their actions. This relatively unsystematised body of practical knowledge does not inform our ruminations on markets of different kinds. In fact, there is often a disjunction between what marketing practitioners are actually doing and the strategic principles that form the basis for conceptualizations in marketing theory. Extracting from every day marketing practices and processes is an important task because it could have been throw light on macro-issues, such as the very nature, or form, of markets for specific products, the evolution of such markets, market booms or failures etc. Such a consideration of everyday marketing practices would allow a closer look at what is involved in the consolidation of marketing knowledge (Niranjana Seemanthini et al., 2006).

In general, market means a particular place where the buyers and sellers meet and exchange goods to satisfy their wants. A market is defined as people with needs to satisfy, money to spend and their willingness to spend it (William J. Stanton, 1999).

Business people often use the term *markets* to cover various groupings of customers. Marketing boasts a rich array of concepts and tools. Marketing's role is to "deliver a higher standard of living". Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others (Kotler, 2000).

Coping with exchange processes calls for a considerable amount of work and skill. Marketing management takes place when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. It is the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value (Kotler, 2000).

According to Philip Kotler (1972), "Marketing Management is the analysis, planning, implementation and control of programmes designed to bring about desired exchanges with target audiences for the purpose of mutual or personal gain. It relies heavily on the adaptation and coordination of the product, price, promotion and place of achieving effective response".

Marketers use numerous tools to elicit desired responses from their target markets. These tools constitute a marketing mix. Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market.

McCarthy (1972) classified these tools in to four broad groups that he called the four Ps of marketing: product, price, place and promotion. Marketing – mix decision must be made for influencing the trade channels as well as the final consumers.

Marketing is mainly customer oriented and its basic objective is customer satisfaction. A buyer's degree of satisfaction with a product is the consequence of the comparison a buyer makes between the level of the benefits perceived to have been received after consuming or using a product and level of benefits expected prior to purchase. In order customer satisfaction an organization has to offer quality in its goods and services (The Guittinan, Paul, Madden 1997).

Marketing is no longer a company department charged with a limited number of tasks –it is a companywide undertaking it drives the company's vision, mission and strategic planning marketing includes decision like who company wants as its customers; which needs to satisfy; what product and services to offer; what prices to set; what communications to send and receive; what channels of distribution to use; and what partnership to develop. Marketing succeeds onlywhen all departments work togetherto achieves goals: when engineering designs the right products and finance furnishes the required funds, purchasing buys quality materials, production makes quality products on time, and accounting measures the profitability of different customers, products and areas (Kotler, 2007).

Financial success often depends on marketing ability. Finance and other business function will not really matter if there is no sufficient demand for products and services so the company can make profit. Press releases from organizations of all kind- from consumers good makers to health care insures and from non-

profit organizations to industrial product manufactures –trumpets their latest marketing achievements and can be found on their web sites. i.e. 'change or die'.

Marketing people are involved in marketing 10 types of entitles good, services, experiences, events, places, properties, organization, information and idea. (Kotler,2007).

Marketing determines the survival and growth of any business unit. Marketing organisation is necessary for the realisation of organisation objectives (Rao Prasad and Naik Krishna, 2002). Hence there is a need for studying marketing practices in Handloom and Khadi Industry in Kerala. The marketer's task is to devise marketing activities and assemble fully integrated marketing programs to create, communicate and deliver value for consumers. The marketing program consists of numerous decisions on value-enhancing marketing activities to use. Marketing activities come in all forms. In this study marketing practices is depicted in terms of the marketing mix, which has been defined as the set of marketing tools the firm uses to pursue its marketing objectives. McCarthy classified these tools into four broad groups, which he called the four Ps of marketing: product, Price Place and Promotion (Kotler, 2007).

Marketing is defined as 'putting the right product in the right place, at the right price, at the right time.' A lot of hard work and research needed to make this proposition. And if even one element is off the mark, a promising product or service can fail completely and end up costing the organization substantially (Martin, 2014).

The use of a marketing mix help us to make this proposition. The **marketing mix** is a **crucial tool to help understand what the product or service can offer and how to plan for a successful product offering.** The marketing mix is most commonly executed through the 4 P's**: Product, Price, Place**andPromotion**.** Marketing should include decisions on what products and services to offer, how to price them, how to put them into distribution, and how to promote them (Kotler, 2000).

The 4Ps serve as planning for the product or even to evaluate an existing product offering. 4P's are the basic, tactical components of a marketing plan. Elements in the 4P's help an organization to develop marketing strategies and tactics. When properly understood and utilized, this mix has proven to a key factor in a product's success (McCarthy, 1968).

3.2.1 The Four P's

a) Product

The most basic marketing-mix tool is product-the firm's tangible offering to the market, which includes the product quality, design, features, branding and packaging. The product may be similar to the competition but have unique associations that can be promoted. The communicator must select efficient communication channels to carry the message. Messages delivered by attractive or popular sources achieve higher attention and recall.

The product is either a tangible good or an intangible service that is seem to meet a specific customer need or demand. It is key to understand those problems that the product is attempting to solve. The benefits offered by the product and all its features need to be understood and the unique selling proposition of the product need to be studied. In addition, the potential buyers of the product need to be identified and understood.

b) Price

A critical marketing mix tool is price and it should be commensurate with the offer's perceived value. Price is a key positioning factor and must be decided in relation to the target market, the product-service assortment mix and competition.

Price covers the actual amount the end user is expected to pay for a product. How a product is priced will directly affect how it sells. This is linked to what the perceived value of the product is to the customer rather than an objective costing of the product on offer. If a product is priced higher or lower than its perceived value, then it will not sell. This is why it is imperative to understand how a customer sees what you are selling. If there is a positive customer value, then a product may be successfully priced higher than its objective monetary value. Conversely, if a product has little value in the eyes of the consumer, then it may

need to be underpriced to sell. Price may also be affected by distribution plans, value chain costs and markups and how competitors price a rival product.

Price is the monetary cost for a customer to buy products or services. It is the critical determinant that influences customer buying decision. Customers usually select their service providers strongly relying on perceived price. How much consumers are willing to pay differs due to their different needs and wants. Thus, the price perceptions to the same service products may differ among individuals. Higher pricing perceived by consumers might negatively influence their purchase probabilities (Peng and Wang, 2006). Price perception is also thought to be related to price searching (Lichtenstein et al., 1993). Consumers are likely to be attracted by perceived high-quality services at perceived competitive prices during the searching process. Oliver (1997) suggested that consumers often judge price relating to service quality, and accordingly generate satisfaction or dissatisfaction, depending on the equity principle. If a consumer perceives price as fairness, he or she is willing to conduct this transaction with the service provider. Based on previous studies, Cheng et al. (2008) proposed that price perception can be measured by two dimensions: one is reasonableness of prices, which reflects the way that price is perceived by customers comparing to that of competitors; another is value for money, which implies the relative status of the service provider in terms of price. In general, high-quality services are considered to cost more than low-quality equivalents (Chitty et al., 2007). Many researchers have pointed out that price perception influences customer satisfaction and trust (Oliver, 1997; Peng and Wang, 2006; Cheng et al., 2008; Kim et al., 2008). Customer often switch mainly due to some pricing issues, e.g. high price perceived, unfair or deceptive pricing practices (Peng and Wang, 2006). Therefore, in order to increase customer satisfaction, it is essential for service firms to actively manage their customers' price perceptions, e.g. carrying out attractive pricing, offering reasonable prices mix, lower prices without decreasing quality, etc.

c) Promotion

Promotion includes all activities the firm undertakes to communicate and promote its products to the target market. Each retailer must use promotion tools that support and reinforce its image positioning (Kotler, 2000).

The marketing communication strategies and techniques all fall under the promotion heading. These may include advertising, sales promotions, special offers and public relations. Whatever the channel used, it is necessary for it to be suitable for the product, the price and the end user it is being marketed to. It is important to differentiate between marketing and promotion. Promotion is just the communication aspect of the entire marketing function.

d) Place

Place includes all the activities the firm undertakes to make the product accessible and available to target customers. Customers generally choose a nearest location for purchasing goods. Retailers can locate their stores in the central business district.

Place or placement has to do with how the product will be provided to the customer. Distribution is a key element of placement. The placement strategy will help assess what channel is the most suited to a product. How a product is accessed by the end user also needs to compliment the rest of the product strategy (http://www.entrepreneurial-insights.com/understanding-marketing-mix-concept-4ps/).

The marketing mix is made up of four unique variables. These four variables are interdependent and need to be planned in conjunction with one another to ensure that the action plans within all four are complimentary and aligned. Through the use of this set of variables, the organization can achieve its marketing targets such as sales, profits, and customer retention and satisfaction. The marketing mix is a fluid and flexible concept and the focus on any one variable may be increased or decreased given unique marketing conditions and customer requirements. It is vital to keep an eye on changing trends and requirements, within the organization as well as in the market to ensure that the elements in marketing mix stays relevant and updated. A vital feature of the marketing mix is that the customer is the focal point of the activity. The value of the product is determined by customer perceptions and the goal is to achievea satisfied and loyal customer(http://www.entrepreneurial-insights.com/understanding-marketing-mix-concept-4ps/).

3.2.2Brand Image

Image is defined as the sum of all thoughts, associations of ideas which are connected with the person to a particular product, brand, organization and person. Brand image is the overall impression in consumers' mind that is formed from all sources. Consumers develop various associations with the brand. Based on these associations they form brand image. An image is formed about the brand on the basis of subjective perceptions of associaton's bundle that the consumers have about the brand. Brand image is nothing but an organisation's character. It is an accumulation of contact and observation by people external to an organization. It should highlight an organization's mission and vision to all (Nischay, Shilpa, 2004).

Brands: Consumers vary as to which product attributes they see as most relevant and the importance they attach to each attribute. They will pay the most attention to attributes that deliver the sought benefits. The market for a product can often be segmented according to attributes that are salient to different consumer groups. The consumer develops a set of brand beliefs about where each brand stands on each attribute. The set of beliefs about a brand make up the brand image. The consumer's brand image will vary with his or her experiences as filtered by the effects of selective perception, selective distortion and selective retention. The consumer arrives at attitudes (judgements, preferences) toward the various brands through an attribute evaluation procedure. Many buyers consider several attributes in their purchase decision. If we knew the weights attached to each attribute we could more reliably predict the customer's choice. The strategies to stimulate greater interest in a particular brand are (a) Redesign the product, (b) Alter beliefs about the brand, (c) Alter beliefs about competitor's brands, (d) Alter the importance weights, (e) Call attention to neglected attributes and (f) Shift the buyer's ideals (Kotler, 2000).

Brands have become one of the most important phenomena of market research in recent years. Branding is a means to distinguish the goods of one producer from those of another (Kotler, 2001). In the competitive market, branding is a valuable intangible asset of a company. This is because positive brands will enable customers to better visualize and understand products, reduce customers' perceived risks in buying services (Kim et al., 2008), and help organization achieve sustained superior performance.

Brands add value. Everyone in the marketing claimed that brands add substantial value to products. Brand includes various attributes which gives increased value to the balance sheet of the firm (Harsh Verma, 2013).

Brand concept has been frequently discussed in marketing literatures. Brand building is not only an important driving force for marketing physical products, it is also a vital issue for service firms. Brand image was defined by Keller (1993, p3) as the "perceptions about a brand as reflected by the brand associations held in consumers' memory." It is thought as the perception or mental picture of a brand formed and held in customers' mind, through customers' response, whether rational or emotional (Dobni and Zinkhan, 1990). According to Grönroos (2000, p.287), "A brand is not first built and then perceived by the customers.

Brand building is basically a transformational process and is directed to the consumers' mind. Brand can produce superior consumer behavior outcomes compared to an unbranded product. It is the basis of value. The value that a brand creates is not mechanically created rather brand adds specific value magnitudes desired by consumers. Branding comprises advertising but it is not all about communication of the product. Brands develop their power from their ability to stimulate discriminating response. Stronger brands enjoy strong discrimination by producing a perception of disparity and imperfect substitution. Brands have the capacity to command more price (Harsh Verma, 2013).

A commodity or unbranded products in view of consumer response are perfect substitutes. If advertisements fail to create differentiation then consumers will continue to consider different brands as substitutes of each other. True brands build value by establishing meaningful differentiation. This adds value for the firm on one hand and to the consumer on the other. In the current marketing scenario brands are valued by the consumers for the help they provide in managing consumption. Brands are desired by the firm for enhancing discrepancy between revenues and cost (Harsh Verma, 2013).

Brands play a significant role by serving consumers in interpreting, processing and storing information about products and brands. It simplifies the process. Brands are taken by customers as information chunks which are easily decoded and interpreted with an easiness and stored in a proper order. This reduces the chance of confusion that may occur in the absence of branding. Brands allow customers to store great quantities of

information about what is available in the market without getting confused. It stands for the value pack of products and how they are differ from one another. Assets of a brand boost customer confidence in the purchase decision. Brands are trust mark of customers. Brands inspire confidence and one feels more confident in purchasing a branded product. It is easier to purchase a branded product than an unbranded one. This happiness because of familiarity, visibility and assurance of performance. Brands gain consumer confidence by constantly meeting the promise (Harsh Verma, 2013).

Branding is a process by which value is extended beyond what stems from the product component. Brand transforms experience by changing the position of the brand in perceptual field of consumer. It can potentially attain same sales and surplus target with lesser marketing expenditure compared to an unbranded one. Marketing programmes dedicated to achieve consumer-centric outcomes like loyalty and retention have to work more efficiently when done in the perspective of a brand as compared to a commodity. It is much easier to secure distribution and displays for brands than unbranded commodities. Brand value allows a firm to enjoy greater customer loyalty. The value added through branding plays an important role in enhancing satisfaction which drives customer bonding and loyalty (Harsh Verma, 2013).

Consumers tend to remain using a satisfying brand and reveal steady commitment. Customer loyalty is the most desired marketing outcome that every marketer aims to achieve. Loyalty is necessary because of its positive associated effects on the revenue and expenditure side. A large number of loyal customers are advantageous for the firm in two ways: first, revenue enhancement as loyal customers tend to prove more profitable over time due to price premium and increased sales. Second, loyalty is accompanied by reduced cost to serve customer, lower customer attraction costs as a result of positive word-of-mouth. Brand value allows a firm to charge premium. Higher price generates perception of better quality. Brand value delivers abundant opportunities for growth. It makes the firm possible to enter into new market and for brand extensions. It is a good source of achieving leverage in distribution channels. It is a provider of competitive advantage to the firms that have powerful brand name. It enforces barrier on the entry of competitors. A brand blocks entry of rivals in a customer's mind. It holds huge potential to generate economic value for the marketers (Harsh Verma, 2013).

A brand has to consider more than a name. A brand is a collection of meanings and associations. Effects of brand are accomplished through consumer brand knowledge i.e., all those are engineered in the prospect's mind. They live, grow and die in the mind. They also add or subtract value. Factors influencing brand value include awareness, perceived quality, confidence, images and feelings (Harsh Verma, 2013).

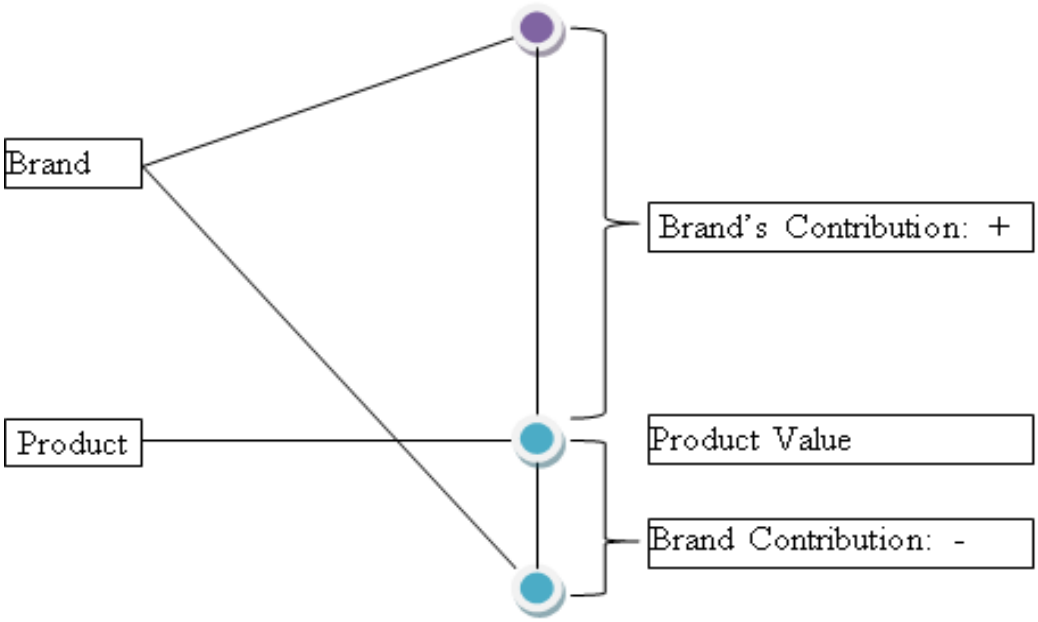

Figure-3.1: Brand Alerts Revenue (Source: Harsh Verma, 2013)

The key concept between the brand and the equity is the brand image. It is an intervening variable. As in figure 3.1 the perception of a brand can adjust brand value upwards or downwards. Brand name is a collection of visual and verbal dimensions developing in mind that acts as an intervening idea causing the value to move upwards. It has a transformational experience which could either be positive depending upon the equity/value. Strong brands perform fundamental modifications while weak brands do minimal ones. The brand image is the driver of brand equity/value. Brand image is a customer concept and it drives customer behavior.

Brand equity/value depend upon the perception of the customers about a particular brand. The movements in performance of a brand are usually preceded by corresponding changes in consumer perception. A brand which experience decrease in sales shows that customers do not have a good perception about it. The feelings and evaluations that customers hold about a brand are very important. The feelings and evaluations has some basis such as brand knowledge of the customer. Brand development begins with developing a consumer knowledge structure i.e., the belief that consumer must hold about the brand. The marketers in order to generate positive feelings and customer support connect their brand with a variety of concepts or associations. This is done with an assumption that these set of associations are related with customer loyalty, customer perception about positive brand value and a willingness to search for a brand. A positive image makes customers favourably motivated towards brand promotions and prevent competitive activities. The marketing efforts like advertising, promotions, distribution etc. would reveal a brand manager's design to create suitable sets of associations related to the brand. Brands exist in a customer's memory in the form of a network of associations. The nodes linked to brand name store information about attributes, benefits, typical user profile, etc. Thus a brand name is more than a label employed by the marketer to distinguish a product among an excess of others. It is a complex symbol that represents a variety of ideas and attributes. The meaning or perception that is enclosed in the memory network determined customer behavior towards a brand.

Brand image can be defined as 'perceptions about a brand as reflected by the associations held in consumer memory'. It can also be conceptualized as 'culture of attributes and associations that consumers connect to the brand name. Brand image is totality of associations that surround the brand. It is a perceptual concept. What is contained in a brand's image may or may not be a result of marketing efforts. It represents how a brand lives in a customer's personal, subjective world. A consumer develops perception about a brand on the basis of set of beliefs or attributes. It is this set of beliefs that customer holds about a brand which develop the brand image. The image that consumer hold about brands does not tend to be identical. Brand image is a perceptual construct. It varies according to the customer's perception. According to Gardner and Levy, the image of a product associated with the brand do not even seem very sensible or very clear cut or relevant to those who know what the product is actually like. But they all contribute to the customer's decision whether or not the brand is the one meant for them (Harsh Verma, 2013).

Brand Image Dimensions

Brand image in customers' mind is a network of associations and these are of two types –

a) Hard Associations: It refer to the perception of tangible/functional attributes of a brand.

b) Soft Associations: These are more emotional.

Other Associations of Brand Image

A brand's image is a combination concept. It carries with other sub-images. The three contributing sub-images in a brand are:

- ***Image of the Company***: Every brand carries an invisible shadow of its manufacturer. Like brands, the companies also live in customer's minds as a network of associations. It is capable of providing both strength and weakness to a brand. This is why good companies always keep a track of their image in public eye. As and when the need arises, they perform a marketing communication exercise to keep it relevant so that it provides a life to the company's brands rather than becoming a burden on them.
- ***Image of the User***: The brand has an unambiguous definition of its users. The brand user profile may comprise signals about a user's gender, age, occupation, lifestyle, activities, mindset, etc.

- ***Product Image***: A brand's image is also determined by the image of the product it carries. All products have dimensions like functionality and emotionality, technological intensiveness, old and young, inherent to them. Brand image will not always fall in line with the product image.

Brand personality is the emotional part of brand image. It is a brand's visualization by the way of human traits. The user component of a brand translates into brand personality. The customers tend to assign various personality traits to brands. Celebrities are usually used to build brand personality. These include movie stars, sports stars, music stars and even common man. Customers are seekers of reliability. So they are attracted towards brands which indirectly own personality which is in sync with the user. People buy brands not only for what they can do, but also for what they indicate. Brands are powerful signifiers of meanings. Brand equity is the financial side of the brand. It indicates the value addition that a brand makes. It is determined by customer behavior. The key driving force of customer behavior is the image i.e., how the brand is perceived. So that the challenge for the brand manager is to evaluate brand image regularly in order to uphold and improve brand equity/value.

Brand value proposition consists of the whole cluster of benefits the firm promises. It is more than the core positioning of the offering. The brand depends on the firm's ability to manage its value-delivery system. The delivery system includes all the experiences the customer will have using the offering (Kotler and Pfoertsch, 2006).

We buy products to satisfy some physical and material needs. But once the most basic and primitive needs are met – hunger, thirst, shelter, safety – we look to products for some other rewards as well. Products must offer not only physical or functional satisfaction but psychological or non-functional rewards as well. The concept of Maslow's hierarchy of needs is relevant in this context. These needs, in order of urgency or importance are: physiological needs, safety needs, social needs, esteem and status needs, and finally, the highest order of needs-those for self-actualization. The non-functional values of brands must satisfy our social and esteem needs (Sengupta Subroto, 2010).

Products take on symbolic meaning and we buy them as much for their physical benefits as their symbolic or non-functional ones. This is self-evident when we look at 'badge' products which we use in public and whose symbolic meaning rubs off on ourselves in the eyes of the beholder. The symbolic meaning was referred to as the brand image (Sengupta Subroto, 2010).

Gardner and Levy (1955) mentioned about the social and psychological nature of products and said that advertising for a brand should be considered in terms of its symbolic and indirect meanings as well as its literal communication. The brand name is a complex symbol that represents a variety of ideas and attributes.

Sidney Levy (1959) observed that modern goods are psychological things. The products people buy are symbolic of personal attributes and goals. They have personal and social meanings in addition to their functions. A purchase involves an assessment to decide whether the symbolism fits or not.

David Ogilvy (1963) opined that every advertisement should be thought of as a contribution to the complex symbol which is the brand image.

Advertising strategists i.e., the creative people are looking for unique emotional values to add to the brand. They are looking for ways to create emotional involvement because this represents the stronger bonding area between brand and target consumer. Symbolism and symbolic meaning become the instruments for differentiation and for forging this emotional bond with the brand. Brand Image Ratings are measurements of how a brand performs across various parameters. Brand image consists of benefits, usage imagery, user imagery and experiential areas. It has to measure the brand's scores on specific benefits. In addition, brand image also needs to measure what kind of people use the brand- rich, poor, sophisticated, luxurious, thrifty, families, men, women, children etc. It has to measure usage occasions-how many different usage occasions (Sengupta Subroto, 2010).

Prof. David Aaker identified three fundamental components of a brand such as (a) extended identity which consist of describing the brand as product (quality, value, usage etc.); brand as organization (culture, value,etc.); brand as person (personality, relationship); and brand as symbol (visual image, heritage), (b) core

identity represents what the brand offers in terms of quality, relationship and price-value and (c) essence of the brand which means what is the one thing the brand stands for.

Prof. Jean Noel Kapferer's prism model of branding consists of six components namely (a) Personality-what kind of a personality does the brand stand for? (b) Culture – what values and beliefs come with the brand? (c) Self Image – What does a user's feel about themselves when they use the brand? (d) Physique – physical attributes of the brand (e) Relationship – the brand-consumer relationship and (f) Reflection – projected image of the user.

Prof. Kevin Lane Keller has presented a comprehensive branding model – Brand Pyramid. The brand pyramid shows that brand starts by creating salience in the consumer's minds by creating awareness; the brand then creates its point of difference while not avoiding the points of parity of the product category. Indian consumers are extremely value based in their purchase decision making. So it is possible for a brand to achieve salience and acceptance. But for charging a premium, the brand will have to be seen as 'valuable' not just 'good value'. At that stage, the brand becomes a resource and starts having a relationship with its consumers.

The various analysis methods help to arrive at a brand positioning option. It is important that the position chosen should be 'Relevant-Unique-Believable' (RUB). Some of the brand positioning topologies are Ingredient based, benefit based-what is the end benefit, usage benefit-usage occasions, feature based-single feature that the brand can stand for, user based-particular type of users, price based, value based-add value to a great offering to stand apart, tradition, competitive, technology,design-aesthetics, country-country of origin (Parameswaran, 2010).

Keller's view on brand equity are customer-oriented. He suggests that differential effect generated by a brand is resulting from brand awareness and brand image. Awareness is first vital step but depth and richness are added by image. Generally, equity is seen as the marketing effects – customer's perception of value/behaviours/preference – that occur due to brand name, which otherwise would not occur if brand name is missing. It is the differential in marketing effect which could be attributed to brand name. The differential that a brand name brings decides the brand worth of value. Strong brand represent a kind of brand power which automatically increases the marketing effects while the weaker brands are unable to achieve this height. This is why strong brands command huge financial value. The differential effect of a brand name can be both positive and negative. If the associations to a brand name is not favourable for the customer then it may generate negative differential effect in the form of customer disliking, and valuing the brand less than the generic product. This make the customers stay away from the brand (Harsh Verma, 2013).

A brand tends to form an associative network of nodes and connections. The nodes signify concepts or information chunks which are linked to other nodes. The links or connections may vary in their strength. A weak link would mean difficulty in spreading activation while strong link suggests quick spreading of activation. Brand knowledge refers to a name in the memory which is a node that is linked with other nodes indicating various associations. The structure and content of brand knowledge inspires consumer behavior. Brand knowledge structure has two components: (a) Brand Awareness and (b) Brand Image.

(a) **Brand Awareness**: It is the ability to recognize a brand under different conditions. The ability is determined by the strength of the brand node in memory. When there is no trace in memory, a brand cannot be recognized. However, when this memory trace is strong, the brand is immediately recognized. It plays a significant role in consumer decision-making. Unknown brands get eliminated from the decision process. Simple awareness may be enough in causing a brand to succeed, under low involvement buying conditions. Mind share leads to market shares in such conditions. Brand awareness comprises of recall and recognition. Brand recall refers to the ability to recover the brand from the memory when some hints are provided. Brand recognition is the consumer's capability to confirm former exposure when brand is given as a hint. It necessitates that a consumer is able to distinguish the brand as having been seen or heard before.

(b) **Brand Image**: The image of a brand is how it is perceived by the consumer. The sum of associations that are detained in a consumer's mind and connected to a brand is brand image. It is a perceptual construct. The associations are contained in memory as information nodes connected to the brand node. This entire network contains the meaning of the brand. Consumers act upon images detained by them of different brands.

In other words, it is the associations which distinguish one brand from another in the mind. Brands are distinguished in terms of knowledge structures they generate. It is these knowledge structures that drive differential reaction of customers to marketing efforts and thereby generate value. The images of a brand may contain different types of associations in memory: Attributes, Benefits and Attitudes.

- ***Attribute Associations***: Attributes are descriptive features which are used to characterize a product or service. They could be distinguished on the basis of how directly they are related to product or service performance. The product-related attributes are ingredients essential for a product's performance. They relate to the physical make-up of the product. Four types of non-product related attributes distinguished are price information, product appearance or packaging, user imagery (the type of person who uses the product) and usage imagery (indicating the situations where the product is used).
- ***Benefit Associations:*** Consumers are not as much concerned in product attributes as they are in benefits. Benefits are suggestions as to what a product or service can do for the customers. The functional benefits are the outcomes of functions performed by a product or service. These are intrinsic advantages of consuming a product or service. Functional benefits are fairly basic in nature and pertain to lower order motivations like physiological or safety needs. The second one is the experiential benefit. These benefits ensue to the user in the form of feelings. Consumers have experiential needs for variety, sensation and cognitive stimulation. The last category of benefits is symbolic. These are not intrinsic to the product and correspond to non-product related attributes. The products or services often deliver sign value – symbolizing benefits like esteem, class or prestige. The products of conspicuous consumption often are branded to deliver strong symbolic benefits.
- ***Attitude Associations:*** It refers to overall evaluation of a concept like person, product, object or a brand. These are attained from direct experiences or information from other sources; the emotions or feelings that someone has towards a brand; or the intention to behave in a particular manner i.e., the likelihood of buying the brand (Harsh Verma, 2013).

Brand Image – SFU (Strong, Favourable and Unique) Associations

A brand exists as brand knowledge structure in the consumer's mind. Brand associations alone may not be sufficient for equity making. The association needs to be Strong, Favourable and Unique (SFU).

- **Association Strength**: Brand association would produce positive equity/value when attribute associations are favourably evaluated by the customer. This would happen when brand is perceived to have attributes and benefits that satisfy needs. The attributes or benefits may vary in their importance to a consumer. The brand must be favourably evaluated on important attributes or benefits. Less important attributes pose great difficulty in generating favourable associations. Thus, it is only important attributes on which favourable associations must be built. A marketer must focus on generating very favourable associations for important attributes.
- **Favourability of Associations**: It is the strength of connection between an association and brand node. The strength of connection indicates how easily the association would be recalled or retrieved when brand node is activated or vice versa. The strength of association is determined by both quantity and quality of processing the information one gets. The quantity indicates 'how much' a prospect thinks and 'the manner' the thinking is carried out. When information is actively processed and its meaning is elaborated upon, stronger associations are formed in the memory. This strength implies that this information would be accessible and recalled easily. The information nodes connected to the brand must be recalled by spreading activation.
- **Uniqueness**: The last essential that a brand must have is strongly held favourably evaluated unique associations. The associations that a brand shares with competition provide a brand with competitive edge over rivals – it is the brand's unique selling proposition. The shared associations can be more direct attribute associations. A brand may also share some abstract associations with products not within the category. It defines the brand's indirect competition (Harsh Verma, 2013).

Brand image is the current view of the customers about a brand. According to Porter (1985) brand image is a mental image that reflects the way a brand is perceived, including all the identifying elements, the product or

organisation personality, and the emotions and associations evoked in the consumer's mind. It can be defined as a unique bundle of associations within the minds of target customers. Keller (2003) defines brand image as perceptions about a brand as reflected by the brand associations held in consumer memory. It is a set of beliefs held about a specific brand. In short, it is nothing but the consumers' perception about the product. Brand image conveys emotional value and not just a mental image. It is a composite of perceived quality and esteem dimensions. In other words, brand image is a perception of a brand held in customer memory and reflecting a customer's overall impression. A positive brand image can be considered as a crucial ability of a corporation to hold its market position.

Customers is likely to form brand image in mind from inexperience ways, such as word of mouth from other consumers, a company's reputation in public, marketing communication, and so on. A positive brand image make it easier for a firm to convey its brand value to consumers, also generates favorable word of mouth among people; contrarily, a negative image affect people in opposite direction; a neutral or unfamiliar image may not cause any damage, but it does not increase the effectiveness of communication and word of mouth either. The more customers consider a brand valuable, the more sales can be expected to be achieved.

A brand image of Khadi/Handloom is not absolute; it is relative to brand image of competing cotton textile industry. The customers often form a brand image of Khadi/Handloom from their own shopping experience. Furthermore, Khadi/Handloom brand image possesses a strategic function. Through strategic marketing activities, the brand image of Khadi/Handloom can be used to help to improve its competitive position. Thus a favourable brand image helps to retain Khadi/Handloom customers and to attract prospective customers.

3.2.3 Customer Satisfaction

Kotler (2000) defined customer satisfaction as the feelings of a person's pleasure or disappointment that resulted from the comparison between the performance and outcome of a product with his/her expectations about the performance of that product. Customer satisfaction is customers' post-purchase perception or evaluation of a particular product or service (Stank et al.,2007) and customer satisfaction is customers' comment or feedback regarding product or service made from the practical experience after receiving or consumption of that product or service (Fornell, 1992; Oliver, 1981). Customer satisfaction is very subjective approach that can be influenced by several variables, including price of the product/service, reliability, responsiveness and lead time etc. (Cochran, 2003).

According to Tse and Wilton (1988), customer satisfaction is the customer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product as perceived after its consumption.

Thus, based on the definition and explanation of customer satisfaction, the author would like to opine that customer satisfaction is an important concern for an organization, like some researchers identified that customer satisfaction depends on overall quality of product or service or both (Shamdasani et al., 2008; Swaid and Wigand, 2007) and mood of service deliver (Johnston, 1997). For example, service quality, a vital factor affecting customer satisfaction is defined as the customers' overall judgement regarding the superiority or excellence of a product or service (Parasuraman et al., 1988; Zeithaml, 1988) that absolutely depends on the integrated characteristics and feature of a product or service to satisfy the needs of customers (Kotler and Armstrong, 1996).

Customer satisfaction is the overall impression of the customer about the supplier and the products and services delivered by the suppliers (Allbal, 2011).

Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction vary from person to person and product/service to product/service. Customer satisfaction is a term frequently used in marketing as a measure of how products and services supplied by a company meet or surpass customer expectation (Bennett, 1995).

Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals" (Farris, Bendle, Pfeifer and Reibstein, 2010).

Although many of the theorists have defined customer satisfaction in various ways, the conceptualization, which appears to have achieved a wider acceptance, is that satisfaction is a post-choice evaluative judgment of a specific transaction (Bastos and Gallego, 2008).

Customer satisfaction is the result of a customer's perception of the value received in a transaction or relationship – where value equals perceived service quality relative to price and customer acquisition costs (Hallowell, 1996; Heskett, Sasser and Hart, 1990; and Blanchard and Galloway, 1994).

The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products. A business ideally is continually seeking feedback to improve customer satisfaction.

Oliver (1997) noted that satisfaction is a general psychological state which is about the expectation for emotions and experience from shopping behaviour. Similarly, Andreassen and Lindestad (1998) claimed that customer satisfaction is the accumulated experience of a customer's purchase and consumption experiences. Customer satisfaction is a measure of the degree to which a product meets the customer's expectations. It is an indicator to which customers or users of an organization's product or services are pleased with those products or services. It differs depending on the situation and the product or service. A customer may be satisfied with a product, an experience, a purchase decision, a sales person, showroom, convenient location, or an attribute or any of these mentioned items (Nischay, Shilpa, 2004).

In this study, customer satisfaction measured overall satisfaction towards 4 P's and Brand image. Yi (1990) mentioned that customer satisfaction is influenced by two factors which are experiences and expectations with product performance. Operationally, satisfaction is similar to an attitude, as it can be assessed as the sum of the satisfactions with the various attributes of the product, price, place and promotion. Customer satisfaction may be defined as expectation before purchase and perception about performance after purchase. This is a term which is used as a measure of how products supplied by an organization met or surpass customer expectation.

The strategic importance of customer satisfaction for organizations is that in a competitive market place where businesses compete for customers; customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. It is essential for organizations to effectively manage customer satisfaction. Satisfied customers are more important because they are more likely to repurchase Khadi/Handloom, keep using it, and recommend it to others.

In the branding literature, there is a general assumption that a favourable brand image has a positive impact on customer satisfaction. Andreassen and Lindestad (1998) proposed that image affects customer satisfaction through a filtering effect. Likewise, Davies et al. (2003) suggested that brand image correlates with customer satisfaction. Brand image has been recognized as an important antecedent of customer satisfaction. Hence a positive brand image will tend to generate high customer satisfaction in Khadi/Handloom industry in Kerala.

3.2.4 Loyalty

Loyalty denotes customers who would continue to buy the brand. It represents a future revenue stream. It also indicates lesser loss of customers by way of defection or attrition. Hence, firms with greater loyal customers would have relatively lesser marketing costs (lower advertising costs) and greater revenue (from increased purchases and price premiums).

Customer loyalty is of strategic importance to the firm. It is an asset. Loyalty adds value in four ways:

- Loyalty decreases marketing costs of the firm because it costs mush les to do business with repeat customers than attracting new ones. Loyalty also imposes entry barriers on potential players as customers are not easily available to be captured.
- Loyalty delivers trade leverage. It is much easier to gain shelf space, trade cooperation when a brand has a loyal customer base.

- It permits a marketer to attract new customers because loyal customers signify assurance, confidence and faith in the brand. A prospect can mush easily be converted into a customer when a brand has loyal followers.
- Finally, loyal customers provide the firm with lead time to respond to competitive moves like product improvement. Loyal customers do not move quickly to such competitive actions. Hence the firm gets the much needed time to effectively counter competitive moves (Harsh Verma, 2013).

Lovelock and Wirtz, (2011) defined customer loyalty in a business context as the willingness of a customer to continue patronising an organisation over a long period of time, prefer the organisation for shopping on an exclusive basis and continue to recommend the product or service of the organisation to friends, family and associates.

Another comprehensive definition of customer loyalty is given by Toporek (2011) that is "Customer loyalty is the continued and regular patronage of a business in the face of alternative economic activities and competitive attempts to disrupt the relationship. Customer loyalty often results in other secondary benefits to the firm such as brand advocacy, direct referrals, and price insensitivity". Thus, based on the definitions of customer loyalty, it can be noted that customer loyalty is a devotion to an organization by the customer.

Blokdijk (2008) has stated that customer loyalty is becoming key concern for an organization and thus the organization has to consider several factors that are affecting customer loyalty. He has mentioned that quality of product with better service can create customer loyalty. He has also mentioned that several factors can influence customer loyalty and these include- bonuses and incentives by the organization, good marketing and promotion works, and how the product set apart from other competitors.

Da Silva and Alwi, (2006) observed that loyalty is a positive propensity for an organization or brand. In general, loyalty has been considered in various ways, such as positive word- of-mouth, repurchase intention, recommending it to others and so on.

Burton (2002) argued that loyalty is probably better seen as attitude than behaviour. Most studies have conceptualized loyalty as a behavioural intention or behavioural response. Customer loyalty is a deep commitment by the customer to repurchase or re-buy service and product from one particular firm or agency in the future thus customer repeating same brand for purchasing (Oliver, 1997). Behavioural loyalty has been considered as repeat purchase frequency (Brown, 1952) or proportion of purchase (Cunningham, 1956), while attitudinal brand loyalty reffered to stated preferences, commitment or purchase intention of the customers (Mellens et al., 1996).

"Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty" (Farris et al., 2010). Currently, satisfaction is perhaps the best indicator of how likely it is that the firm's customers will make further purchases in the future.

Newman and Werbel (1973); and Kasper (1988) hypothesized in their paper that customer satisfaction is often used as a predictive measurement of future consumer purchases (Newman and Werbel, 1973; and Kasper, 1988). Satisfied customers are more likely to resort to repeating purchases in the time of actual instance, as reported by Zeithaml, Berry and Parasuraman (1996), in their studies.

Loyalty is only expressed psychological predisposition toward purchasing and/or using a particular product/service once again, however it does not guarantee a success to an organization measured as customer retention. In other words, loyalty is a high perceived or expressed likelihood of repurchase or willingness to pay a higher price, but does not mean, that customer will repurchase from an organization (Johnson, 1986). It is the retention, which is ultimate consequence of satisfaction and which is the actual act of repurchase.

As suggested by several researchers (Kumar and Shah, 2004; Back and Parks, 2003; Ball et al., 2004; and Dean, 2007) there are two types of loyalty; behavioral and attitudinal loyalty. The behavioral aspects of the customer loyalty were characterized in terms of repurchase intentions, word-of-mouth communication, and recommendations of the organization (Nadiri, Hussain, Ekiz and Erdogan 2008; Karatepe and Ekiz, 2004; Yi, 1990; and Zeithaml et al., 1996).

Liu-Thompkins, Williams and Tam (2010) defined attitudinal loyalty as a favorable evaluation that is held with sufficient strength and stability to promote a repeatedly favorable response towards a product/brand or a store.

To achieve higher business growth, Khadi/Handloom must increase customer loyalty by delivering a distinctive experience that combines the right marketing mix of convenience, cost, communication and value; and also forge an emotional bond with customers. In the current tough economic environment, it become even more imperative to retain the good customers and proper handling of customers becomes even more important to business success. It is always cost effective to have and grow an existing customer who is profitable than getting a new one.

It is apparent from preceding studies that brand image has direct and/or indirect positive effects on loyalty or behavioural intention. Fry (2002) discovered that brand image has a direct effect on loyalty. Chun (2002) found, in contrast, that brand image has an indirect influence on loyalty via customer satisfaction. Moreover, brand image could have both direct and indirect effects on loyalty (Andreassen and Lindestad). Neverthless, brand image can be certainly viewed as a predictor of customer loyalty. Thus, in the handloom textile context, a positive brand image appears to stimulate customer loyalty.

Relationship between Satisfaction and Loyalty

Shaw and Reed (1999) described that customer satisfaction is widely believed to have a sequential structure which impacts on purchasing and therefore loyalty. They also described that customer satisfaction is directly correlated to loyalty and profitability of an organization. Customer satisfaction is the major factor of success of an organization. Customer satisfaction leads to positive word – of – mouth communications, loyalty, repeated purchase and more profitability for organizations. Customer satisfaction can be considered as the fundamental principle in modern markets, so that the success of firms is highly depended on identifying and satisfying customer needs (Ranjbarian and Barari, 2009).

Rashid (2003) mentioned that organizations seek benefits in order to develop a relationship with their customers for the purpose of achieving competitive advantage. Meanwhile, in same manner the customers, who seek benefits towards an organization and respond with their loyalty to the organization.

The customer satisfaction – customer loyalty association is one of the most vital relationships for marketing theory and practice, due to the marketing effectiveness that these metrics summarize (Anderson et al., 2004; Bolton and Lemon, 1999; Fornell 1992; Reichheld and Sasser, 1990) and their implications for firm's current and future product - market place and financial performance (Anderson et al., 1994, 2004; Anderson and Mittal, 2000; Gupta and Zeithaml, 2006).

The two most important dimensions of customer loyalty are the behavioural and attitudinal components (Day 1969; Jacoby and Kyner, 1973; Yi, 1991). Behavioural loyalty signifies actual repeat purchasing behavior, or the likelihood of repeat product purchase from the same supplier. Recent research seem to measure loyalty attitudinally (including cognitive or affective components). Using this perspective, customer loyalty is perceived as future intention-tp-purchase or commitment that reflects the cognitive and emotional attachment associated with customer loyalty.

There is some criticism on that customer satisfaction may not always lead to customer loyalty. Leverin and Liljander (2006) have mentioned that customer satisfaction is a good basis for loyalty, although it does not guarantee it, because even satisfied customers may switch product/service providers and suppliers because of different reasons, including price of the product/service, economic incentives and other benefits and rewards to the customers. Finally, Leverin and Liljander (2006) have concluded that although the effectiveness of loyalty programs has been questioned, customer satisfaction have a significant and positive impact on customer retention, and share of customer purchases that constitute customer loyalty.

The relationship between satisfaction and loyalty has been observed in several studies such as Coyne (1989); Oliva, Oliver and MacMillan, (1992); Fornell (1992); Guiltinan, Paul and Madden, (1997); Sivadas and Baker-Prewitt (2000); Bowen and Chen (2001); and Silvestro, and Low (2006). Some customers have their satisfaction - loyalty linked to the product alone. Keller (1993) evaluated customers, who purchase specific category of products for the first time, and were found to focus on the product benefits, and not on

the brand (Keller, 1993). He states that the emphasis in this case, is in the tangible attributes of the product, which are visible and accountable to the buyer. Customers looking for low-price car, to meet their budget, may necessarily focus on the characteristics of the car, regardless of brand.

Satisfaction and loyalty are not surrogates for each other (Shankar and Amy, 2002; Bloemer and Kasper 1995; and Oliver 1999). It is possible for a customer to be loyal without being highly satisfied (e.g., when there are few other choices) and to be highly satisfied and yet not be loyal (e.g., when many alternatives are available).

The results of Bowen and Chen (2001) study verified the nonlinear and asymmetric relationship between customer satisfaction and customer loyalty. When satisfaction increased above a threshold, purchase loyalty went up rapidly and when satisfaction dropped below a threshold level, purchase loyalty decreased equally rapidly. Guiltinan et al. (1997) believed that satisfied customers are more likely to be repeat (and even become loyal) customers. Fornell (1992) have found strong correlations between satisfaction and loyalty. According to Mittal, Kumar and Sirros (1999) the relationship between satisfaction and loyalty changes over time. However, the relationship between satisfaction and loyalty is expected to be dependent on the quality of the product and services.

3.2.5Choice Overload

Choice overload was first defined in the 1970s by Alvin Toffler, who stated that it occurs when “the advantages of diversity and individualization are canceled by the complexity of buyer’s decision-making process”. In other words, having a diverse selection of items confuses the consumer so much that they can no longer make a decision at all.

One example of choice overload in a retail setting was done in 2000 using jams in a supermarket. When consumers were given a choice of 6 different jams, 30% of them ended up purchasing at least one of them. When the choice was increased to 24 different jams, only 3% of the consumers purchased a jar, reducing the potential sales by 90%.

The idea of choice overload is further complicated when the consumer is no longer purchasing for themselves but instead is purchasing for someone else. In a very small study (only 68 participants) in two wine shops in NYC, customers who were purchasing for themselves reported greater satisfaction at the smaller wine shop while customers who were purchasing for someone else reported greater satisfaction at the larger wine shop. (http://www.academicwino.com/2015/05/choice-overload-wine-retail.html/).

As the human desire for choice is unlimited, the freedom to choose is often seen as advantageous. The morechoice the better, is an understanding that is widely accepted in our modern society (Schwartz, 2009). From an economical perspective, having more options is preferable, because it increases the possibility of finding the best option (Jessup et al., 2009).

The idea that more choices apparently can lead to negative consequences is called choice overload (Iyengar and Lepper, 2000) and is also known as the “Too-Much-Choice effect” (Scheibehenne et al., 2010) or the Extensive Choice Effect (Hafner, White and Handly, 2011). That too much choice has proven detrimental to our psychological and emotional well- being is explained by Schwartz (2004) as the paradox of choice. Greifeneder, Scheibehenne and Kleber (2010), mention that while consumers may often be attracted by a large assortment, an overload of options to choose from, might sometimes lead to adverse consequences. People’s response to a large number of options is to feel overwhelmed (Iyenger and Lepper, 2000). Although people enjoy larger assortments with greater variety more, they also felt greater frustration and difficulty with choice and were less likely to make a decision (Iyengar and Lepper, 2000). Recent research has shown that more options can generate decision conflict, confusion and frustration (Chernev et al., 2003).

Anderson (2003) argued that an excessive number of options heightens choice uncertainty, which might increase anticipated regret and the tendency to avoid decisions. Anticipated regret is the extent to which participants expect to regret their choice later on. This is often accompanied by making counterfactuals. This means that the consumer doubts between different products, makes a decision i.e., confusion from the substitutes.

Diehl and Poynor (2010) mention regret as a negative consequence of too much choice. Regret is the consequence of too much choice might lead to lower satisfaction with the chosen product. Spending too much time and buying the wrong are the negative consequences of choice overload (Chantal Nomden, 2013).

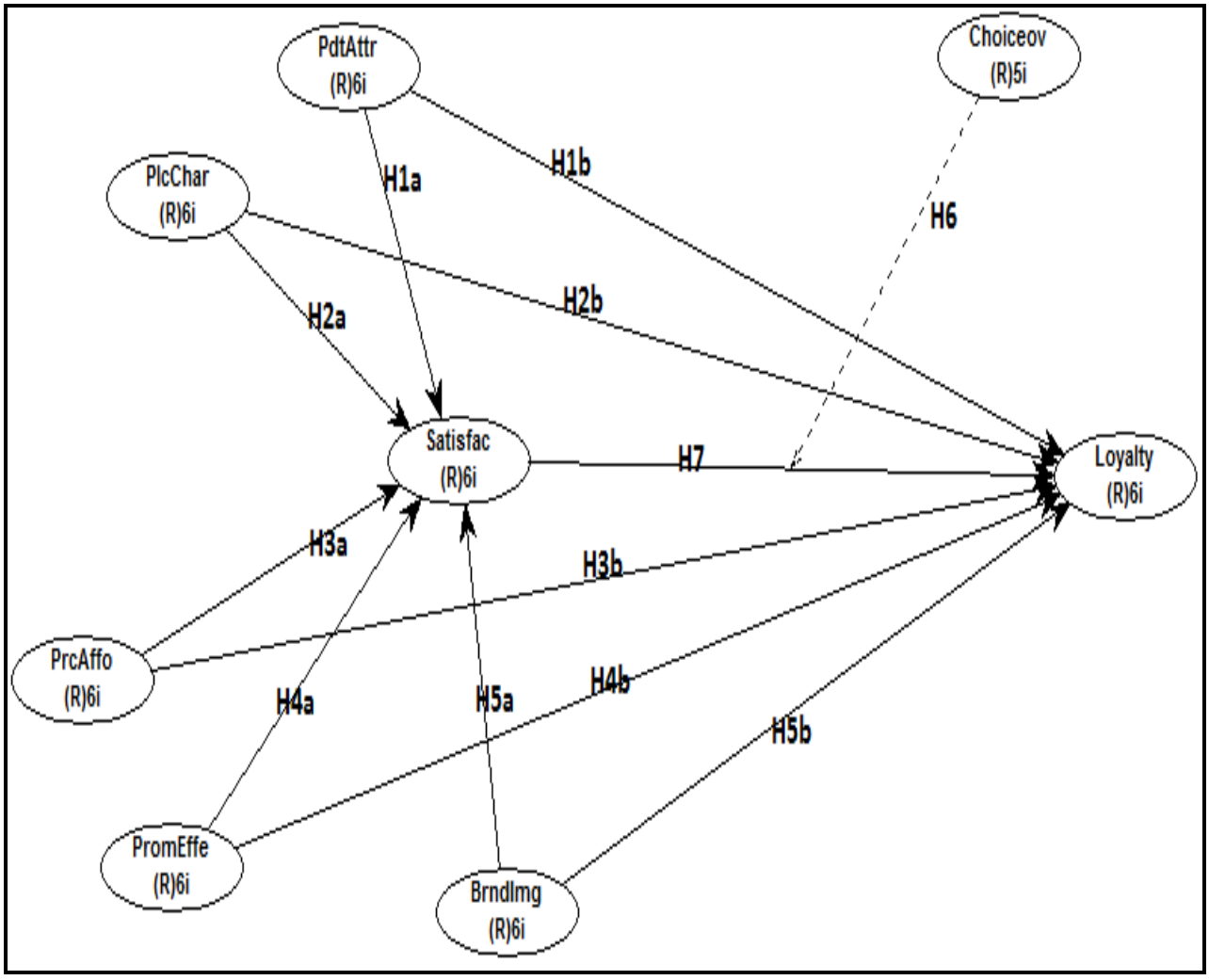

Figure-3.2: Proposed Research Model of Marketing Practices and its Influence on Customer Satisfaction and Loyalty

In retail, people can become overwhelmed by the selection to choose from, or what is otherwise known as "choice overload". Studies in many different retail settings have shown that choice overload does exist and that it can lead to decreased customer satisfaction and decreased sales for a given store. In handloom, however, the concept of choice overload has not been tested in a scientific setting until now.

3.3 Research Model Development

This research study entitled 'A Study on Marketing Practices in Handloom and Khadi Industries in Kerala' intends to examine the influence of marketing practices, of Handloom and Khadi industries in Kerala, on Customer Satisfaction and Loyalty. It proposes to analyze the different causal variables of marketing practices such as marketing mix and brand image and its influence on Customer Satisfaction and Loyalty. The study approaches the customer satisfaction as a multidimensional blend of Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image. The study examines how strong Customer Satisfaction is in bringing constructive outcome like Customer Loyalty. The study also examine how the moderating effect of Choice Overload prevents in converting Customer Satisfaction into Loyalty.

3.4 Operational Definitions

Table-3.1: Operational Definitions

Sl. No.	Variable Name	Operational Definition
1	**Product Attributes**	In this study product attributes means the feeling or perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various product related attributes or aspects of Khadi/Handloom textiles in Kerala.
2	**Place Characteristics**	In this study place characteristics means the perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various place/distribution related aspects of Khadi/Handloom textile showrooms in Kerala.
3	**Price Affordability**	In this study price affordability means the feeling or perception in the mind of a Khadi/Handloom customer in Kerala towards the acceptability of various price related aspects of Khadi/Handloom textiles in Kerala.
4	**Promotional Effectiveness**	In this study product attributes means the feeling or perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various promotion related activities of Khadi/Handloom industries in Kerala.
5	**Brand Image**	In this study brand image means the feeling or perception in the mind of a Khadi/Handloom customer in Kerala towards the acceptability of various image related aspects of Khadi/Handloom brand textiles in Kerala.
6	**Satisfaction**	Here satisfaction means the feeling of pleasure or disappointment felt by Khadi/Handloom customers in Kerala due to the impact of factors such as product attributes, place characteristics, price affordability, promotional effectiveness and brand image pertaining to Khadi/Handloom industries in Kerala. In every product delivering context, customer satisfaction occurs as the net result of impacting causal factors capable of creating, retaining and reducing satisfaction.
7	**Loyalty**	In this study loyalty means the perception in the mind of Khadi/Handloom customers in Kerala about various causal variables related to satisfaction which makes them to repurchase or recommend Khadi/Handloom textiles in Kerala.
8	**Choice Overload**	In this study choice overload means confusion in the mind of Khadi/Handloom customers in Kerala about multiplicity of substitutes of Khadi/Handloom textiles available in the Kerala market.

3.5 Summary

The research framework represents the exact path by which the research will have to be undertaken. It explains the relationship between different variables considered in the study. This chapter deals with discourse of the theoretical and conceptual framework of this research study. It presents the conceptual frame work of Marketing Practices and explains how the variables influence Customer Satisfaction and Loyalty. It also specifies the concepts and models used to plan and shape the research approach and describes the key terms used in the study. This chapter also explains the various operational definitions of the various constructs based on the model developed for the study. The next chapter presents the profile of Handloom and Khadi industry.

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Chapter 4

PROFILE OF HANDLOOM AND KHADI INDUSTRY

Contents

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4.2 Indian Textile Industry
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4.3 Textile Industry – Kerala
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4.1 Introduction

The textile industry is a term used for industries primary concerned with the design or manufacture of clothing as well as the distribution and use of textiles. Prior to the manufacturing processes being mechanized, textiles were produced in the home, and excess sold for extra money. Most cloth was made from either wool or cotton, depending on the era and location.

The textile industry grew out of the industrial revolution on the 18th Century as mass production of clothing became a mainstream industry. Starting with the flying shuttle in 1733 inventions were made to speed up the textile manufacturing process. In 1738 Lewis Paul and John Wyatt patented the Roller Spinning machine and the flyer-and –bobbin system. Lewis Paul invented a carding machine in 1748, and by 1764 the spinning jenny had also been invented. Prior to the 17th century, the manufacture of goods was performed on a limited scale by individual workers. This was usually on their premises i.e., on weaver's cottages goods were transported around the country by horse or by river. In the early 18th century, artisans were inventing ways to become more productive. Silk, wool etc. were being eclipsed by Cotton which was becoming the most important textile. In 1734 in Bury, Lancashire, John Kay invented the flying shuttle was one of the first series of inventions associated with the cotton industry. The flying shuttle increased the width of cotton cloth and speed of production of a single weaver at a loom.

Today textile market stands worth more than $400 billion and is growing every year. The recent globalization of the textile trade has opened up high requirements for outsourcing in textiles. A variety of textiles are used worldwide in different applications such as apparel, household textiles and furnishings, medical equipment, industrial and technical products. Recent studies showed that fabric weaving alone expends around 28 million tons of fiber every year.

4.2 Indian Textile Industry

The textile industry i.e., mainly the cotton handloom industry of India is one of the great manufacturing institutions of the world. Woven cotton materials begins to wear during the ruins of Mohenjo – Daro and from then up to the end of the 18th century. Evidence from Mohenjo-Daro, establishes that the complex technology of mordant dyeing had been known in the subcontinent from at least the second millennium B C. The thirteenth century A D Chinese traveler ChauJu-kua refers to Gujarat as a source of cotton fabrics of every colour and mentions that every year these were shipped to the Arab countries for sale. Textiles also comprised a significant portion of the Portuguese trade with India. These included embroidered bedspreads and wall hangings possibly produced at Satgaon, the old mercantile capital of Bengal.

Textile is one of the sectors in which numerous economic reform measures are taking place in India. The last few years have seen incredible changes in the textile scenario. The regime of liberalization and free trade has commenced a process of integration of world textile market by worldwide phasing out of quantitative restrictions on imports. The change has generated new opportunities for global market; at the same time it has led to new challenges for the domestic industry as import barriers are significantly being reduced.

India's passage into modernity/ industrialization has centredon the cotton textile industry. Tracing the significance of the textile sector in the Indian economy also brings us face to face with the different components – such as the mill segment, the handloom segment and the powerloom segment – that make up this whole. These segments vary in terms of volume of output, technology, the organization of production and so on and are often placed in competing positions with one another, competing for raw materials, markets, etc. These differences render futile any attempt to generalize about the textile sector as a whole. Indeed, successive textile policies of the government have been an exercise in striking a balance between these segments.The terms on which these various segments are appraised, however, have changed from time to time. For instance, while earlier policies stressed the employment potential of the handloom industry and sought to strengthen it with appropriate measures such as the provision of adequate yarn, reservation of products, etc., considerations such as productivity and competitiveness have become the ruling factors in judging performance of sectors over the last decade (Seemanthini Niranjana, Soumya Vinayan, 2001).

Indian Textile Industry can mainly be classified into two segments – Organized and Unorganized textile industry. Unorganized sector is the dominant part in this industry which mainly utilizes the traditional practices (woven or spun) in cloth production and hence is labour intensive in nature. This industry is

characterized by the production of clothes either through weaving or spinning with the help of hands. The decentralized nature is considered as another important feature of the unorganized textile industry in India. The other half of the Indian Textile industry is a highly organized one with immense importance on capital intensive production process. This sector is characterized by sophisticated mills where technologically advanced machineries are utilized for mass production of textile products (http://www.economywatch.com/business-and-ecnomy/textile-industry-overview.html).

4.2.1 Handloom and Khadi - India

The handloom industry has a domestic market cutting across the social and economic spectrum and the urban or rural divide. Cotton handloom fabric is still worn and used by Indian people of all kinds and classes. Indian Handloom Industry is the largest employment provider under textile sector. Handloom weaving is one of the largest economic activities after agriculture providing direct and indirect employment to more than 43 lakh weavers and allied workers. This sector contributes nearly 11% of the cloth production in the country. 95% of the world's hand woven fabric is produced in India. The handloom sector has a unique place in our economy as it has the strength of uniqueness, flexibility of production, openness to innovations, adaptability to the supplier's requirement and the wealth of its tradition.

Handloom

Handloom is an ancient industry in India. Handloom sector in India comes under the administrative control of Ministry of Textiles. The features of this sector diverge across the country. In some parts of Kerala, Tamilnadu, Assam and Orissa, it has attained the status of a mature industry, and in other parts, it is still an enterprise confined to the needs of the household (www.indiatogether.org/2006/feb/eco-handloom.htm).

Handloom weaving is one of the largest economic activity after agriculture providing direct and indirect employment to more than 43 lakh weavers and allied workers. This sector contributes nearby 15% of the cloth production in the country and also contributes to the export earning of the country. 95% of the world's hand woven fabric comes from India. The handloom sector has a unique place in our economy. It has been sustained by transferring skills from one generation to another. The strength of the sector lies in its uniqueness, flexibility of production, openness to innovations, adaptability to the supplier's requirement and the wealth of its tradition. The adoption of modern techniques and economic liberalization, however, have made serious inroads into the handloom sector. Competition from powerloom and mill sector, availability of cheaper imported fabrics, changing consumer preferences and alternative employment opportunities have threatened the vibrancy of handloom sector. The Government of India, since independence, has been following a policy of promoting and encouraging the handloom sector through a number of programmes and schemes.

According to surveys conducted by NGOs, the country has more than 38, 00,000 handlooms. In north-eastern States, there are more than 15, 00,000 domestic handlooms. Handlooms in north India and south India are geared for commercial production for domestic market and also exporting their products abroad. By some estimates, there are 32 other sectors that are benefiting from the handloom sector, including transportation, financial services, marketing services, service and maintenance services and hotels. Many handloom centers are well known tourist spots, drawing visitors from far places of India and foreign countries as well. Thus, the tourism industry's fortunes are in part influenced by the handloom sector and its fame (www.indiatogether.org/2006/feb/eco-handloom.htm).

Handlooms have an umbilical linkage with cotton farmers and the rural farm economy. Agricultural labour gets employment in handloom sector during the non-agricultural season. The sector has self-sustaining mechanism, including training for young weavers, irrespective of gender. The inheritance of skills, resources and capacities has remained beyond the realm and reach of any modern training and educational institution. The sustaining of the weaving skill itself has not been dependent on the government or any modern formal institution. There is also inherent flexibility for all types of communities to take up handloom production as a profession. Handlooms are environment-friendly. A handloom is an independent and autonomous technology. Energy impacts are almost zero. The sector thus lends itself to sustainable development policies aimed at reduction of negative impacts on environment and ecology (www.indiatogether.org/2006/feb/eco-handloom.htm).

Handloom weavers are facing severe livelihood crisis because of adverse government policies, globalisation and changing socio-economic conditions. The national and state governments do have several schemes pertaining to production inputs, market support and development, meant to safeguard the interests of the weaving community. Ineffective implementation of the schemes and the changed context of textile industry -- increasing competition from the powerloom and mill sectors -- has been largely responsible for the crisis in the handlooms (www.indiatogether.org/2006/feb/eco-handloom.htm).

Lack of information to weavers regarding various policies and schemes is no less a significant cause for the dwindling fortunes of the weaver community. Even government departments and implementing agencies related to handloom suffer from inadequate information and data resulting in a widening gap between policy formulation and implementation. The formal education system (including research institutes) has not included teaching and imparting skills for this profession into its fold. In the recent decades, due to lack of information and fast paced changes, practices in handloom sector became static and apparently redundant. (www.indiatogether.org/ 2006/feb/ eco-handloom.htm).

Handloom industry is a part of the Indian culture and tradition. From the view point of talent and efficiency, the hand spinner and the handloom weaver possesses a superior place in the cultural life of the Indian people. From ancient times, India has attained a great excellence in the manufacture of fine fabrics. The artisans of India are also known from early times for hand spinning, hand-printing and hand-dyeing. Historically it is evident that hand weaving was in existence in India for over five thousand eight hundred years now (Geetanjali K. and Nagabhushana E., 2011).

Handloom industry is a largest segment and also an unorganised sector. It plays a dynamic role in India's socio-economic development. Being an important traditional craft, it occupies a significant place in the decentralized sector of the Indian economy. It has a long tradition of excellence. It forms a part of ancient cultural heritage. It is a traditional cottage industry. It is highly labour intensive in character. In rural areas this industry provides employment to a large number of people next to agriculture. Hence, the handloom industry occupies an important place in the economy of the country. Nearly 19% of the total production of the Textile industry in India comes from handlooms (Geetanjali K. and Nagabhushana E., 2011).

Cotton handloom has its own demand because of the beautiful designs, quality, fine texture, exact size, and attractive fret works of its products. These qualities of handloom products are not accessed in the powerloom mechanism.

In India, major production of handloom goods is in the category of cotton fabrics. India is the World leader in global cotton yarn exports with 25% market share. A positive development in the exports of textiles products is the shift from raw material to value added products. A significant feature of the emerging export profile is the increase in the share of made-ups in the overall basket of cotton textile exports from 28% in 1999-2000 to 35% in the year 2000-03. The year 2000-03 witnessed a growth of 8% in the case of fabrics. 10% in yarns and 50% in made-ups. An important development in the global textile trade will be the total elimination of the quotas with effect from the year 2005. India is the second largest supplier of cotton made-ups with 16% of the market share. The handloom sector plays a very important role in the country's economy. It is the largest economic activities after agriculture providing direct and indirect employment to more than 30 lakh weavers (Economic Review 2003).

The handloom industry has been faced a number of serious crisis, owing to (i) competition from cheap powerloom cloth from other states ie., powerloom sector has been got subsidies in various forms and also they are selling their products as handloom by undermining handloom markets (ii) scarcity of quality yarn i.e., access to raw material such as yarn, dyes and dye stuffs has been became a problem. (Yarn is made out of fibers such as cotton and is used to weave the cloth, horizontally and vertically. It is the primary material to produce the cloth or fabric.) Weaving is a rural and semi-rural production activity and weavers have to go far to get these raw materials. To top it off, yarn prices are steadily increasing. The availability of hank yarn - the basic material from which weaving is done - is a serious issue because it is controlled by modern spinning mills, who see more profit in large-volume cone yarn. Secondly, since hank yarn is tax-free and has subsidies, enormous amounts are diverted to the powerloom and mill sectors. As a result, there is a perennial shortage of yarn for the weavers. Despite a few schemes, the hank yarn access issue has not been resolved.

Colours are expensive, and presently there is no system or mechanism to increase their availability(http://bizbeginners.biz/kerala_traditional_industries.html).

Khadi

Khadi simply means cotton, usually handspun. Khadi is Indian handspun and hand-woven cloth, which are spun into threads on a spinning wheel called a charkha (www.scribd.com/doc/21260793). Khadi is not just a cloth, it is a whole movement started by Mohandas Karamchand Gandhi. The Khadi movement aimed at boycotting foreign goods and promoting Indian goods, Thereby improving India's economy. Mahatma Gandhi began promoting the spinning of khadi for rural self-employment and self-reliance (instead of using cloth manufactured industrially in Britain) in 1920s India thus making khadi an integral part and icon of the Swadeshi movement. The freedom struggle revolved around the use of khadi fabrics and the dumping of foreign-made clothes. Thus it symbolized the political ideas and independence itself, and to this day most politicians in India are seen only in khadi clothing. The flag of India is only allowed to be made from this material, although in practice many flag manufacturers, especially those outside of India, ignore this rule.

Khadi evokes a sense of Nationalism, Peace, and Simplicity among Indians as it is closely associated with India's freedom movement led by Mahatma Gandhi. Khadi stands for Indian culture and represents a way of life as well as a model for economic development of Indian villages. Khadi fabrics are woven on handloom from cotton, silk, and woolen yarn, which are hand spun. It is natural and durable and is ideal to wear in the tropical Indian climate as it provides cool comfort. They are friendly to the body and don't cause any allergies or irritations (http://harkhadi.nic.in/home.htm).

Khadi is a herbally dyed fabric. Khadi textiles are harmless to skin and are high-value garments. They have lowest carbon footprint which makes it a sustainable fabric. Khadi fabrics are most suitable for the hot and humid Indian weather. Production of one meter khadi fabric consumes just 3 litres water against 55 litres consumed in a conventional textile mill. As khadi textiles are spun by hand and woven on handlooms the labour cost is very high. So cost of khadi fabric is high. Government provides rebate to consumers to make khadi affordable. By buying khadi a consumer directly helping the lowest strata of society (http//:handloomnation.blogspot.com).

The production of Khadi fabric is a labour intensive process. The production process in the Khadi sector is totally manual, one unit of Khadi cloth needs several times the man-days needed by the mechanized textile sector and 4 times of that of the handloom sector. (http://bizbeginners.biz/ kerala_traditional_industries.html).

The yarn is produced from the natural cotton by conventional methods using charka. The pure cotton collected from cotton farms are first ginned and made into rolls of bales of 160-175 kgs. These bales are then converted into rowing. The Rowing thus obtained are distributed to different spinning units. In the spinning units, the cotton fibre is converted into yarns manually by using charkas. The yarns are then woven into fabrics using handlooms. These fabrics are sold and are also used for making garments (http://harkhadi.nic.in/home.htm).

The dedicated effort of many rural men and women goes in the making of Khadi. It is widely preferred by young and old alike and has recently become a new fashion statement in the sub-continent. Besides being comfortable and eco-friendly, Khadi fabrics are elegant and come in various attractive designs. Khadi occupies a pre-eminent position among the fabric industries in the country. Today in textile sector the main sub-sectors are Khadi and textile mills (http://harkhadi.nic.in/home.htm).

Khadi and Village Industries Commission (KVIC)

The department of Industries, Government of Kerala has given more emphasis on revival and strengthening of village and small industries and to engage directly in certain industrial projects, creation of adequate infrastructure, creating appropriate investment climate to attract private investment, technology upgradation, diversification and modernization etc. Micro, Small and Medium Enterprises play a pivotal role in the economic development of Kerala, because this sector contributes significantly to the manufacturing output, employment and exports of the country.

Directorate of Industries and Commerce is the implementing agency of all policy decisions of the Industries Department of Government of Kerala. The Directorate of Industries and Commerce acts as a facilitator for

industrial promotion and sustainability of MSME sector and traditional industrial sector in the State with the help of Directorates of Handloom & Textiles, Directorate of Coir and Khadi & Village Industries Board (Economic Review, 2013).

Village and Small Enterprises, the traditional industry sector in Kerala comprises of Micro, Small & Medium Enterprises (MSME) sector, Handicrafts sector, Handloom & Powerloom sector, Coir industry, Khadi & Village industries and Cashew industry.

Khadi and Village Industries Commission (KVIC) established under the Khadi and Village Industries Commission Act, 1956 (61 of 1956), is a statutory organization under the administrative control of the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, engaged in promoting and developing khadi and village industries for providing employment opportunities in the rural areas, thereby strengtheningthe rural economy. KVIC has been identified as one of the major organizations in the decentralized sector for generating sustainable non-farm employment opportunities in rural areas at a low per capita investment. It undertakes activities like skill improvement; transfer of technology; research & development; marketing etc. and helps in generating employment/self-employment opportunities in rural areas.

The main objectives of KVIC include:- (i) The social objective of providing employment in rural areas; (ii) The economic objective of producing saleable articles; and (iii) The wider objective of creating self-reliance amongst people and building up a strong rural community spirit.

The marketing concept of Khadi is humanistic and ecological. One of the vital objectives of producing and promoting Khadi is that it provides rural employment. The welfare of the poorest of the poor is concerned. Khadi is eco-friendly. The dyes used to colour Khadi clothes are “vegetable dyes”. The vegetables or fruits in this case are grown specially for the colouring purpose. Chemicals are not used to colour Khadi clothes. Thus skin diseases are prevented. By using Khadi we can also protect our environment because Khadi is spun by hand, woven by hand and processed by hand. So hand crafted, hand-spun, energy saving and healthy product is the unique selling proposition (USP) of Khadi. Industries other than Khadi, while making clothes use machines which automatically leads to pollution but since the Khadi products are made by hands the pollution levels are negligible (http://www.scribd.com/doc/21260793/International-Marketing-of-Khadi-Project-Report).

In India Khadi sector is totally regulated by the government i.e., its entire production process, sales, distribution and marketing is mainly controlled by KVIC which was formed in 1957 under MSME. The prime objective of KVIC is to generate employment in the rural area. It was not able to achieve its objective as the employment in Khadi industry has been declined from 1960-61 to 2014-15, from 1.7 crores to 0.11 crore i.e., the negative growth rate is 5.2 percent. Khadi textiles are only available in khadi sales outlets. This restricts the availability of khadi textiles to the customers (Lekhsmi and Dhanuraj, 2016).

The Handloom and Khadi Sector occupies a vital place in the Indian Economy as it contributes significantly to employment generation. Its economic significance also lies in its low capital investment and high value addition. Increasing contribution to sustainable employment and economic growth of the country and competing with confidence for an increased share of global market. In order to put the Handloom and Khadi industry on a progress the government has introduced several measures for up-gradation in terms of technology and skill of the weavers and so on (The Ford Foundation, 2005).

4.3 Textile Industry – Kerala

Textile Industry plays a significant role in the economic growth of the country through its contribution to industrial output and employment generation. Kerala’s textile industry comprises of traditional Handloom sector, Powerloom sector, Weaving and Spinning Sector i.e., Khadi Sector (Economic Review, 2014).

The textile sector in Kerala is limited in the sense that the spinning mills in Public-Private-Cooperative sectors are concentrating on spinning and weaving. The production and sales of vivid varieties of clothing are basically confined to Handloom and Khadi sectors. The average handloom cloth production in Kerala for the period 2011-12 till 2014-15 is 32.65million sq. meters per year with an average growth rate of 12.61 percent. There was a significant increase in the cloth production during 2014-15 as compared to the previous year.ie, 18.27 percent (Economic Review, 2015).

4.3.1 Handloom and Khadi - Kerala

The Kerala Khadi and Village Industries Board is a statutory body constituted under the Act IX of 1957 Kerala Legislative Assembly. The objectives of the Board are to provide organisation, development and regulation of Khadi and Village Industries in the State. The head office of the Kerala Khadi and Village Industries Board is situated at Thiruvananthapuram and it has district offices in all districts. In addition to this, Payyannur Khadi Centre, the prestigious institution established even before the commencement of the Kerala Khadi and Village Industries Board at Payyannur, is also working under the Board. Khadi as viewed by Gandhi is not only an economic but also a political phenomenon. He had absolute belief in the conception that the universal adopters of 'Khaddar' by Indians was equivalent to the acquisition of Swaraj. Khadi was also the symbol of unity in India. Hence spinning was a daily sacrament and a concerete viable technique of participation in the yajna for the unification and revivification of India.

Khadi Board promotes Khadi Industry Departmentally and Institutionally.The Board is engaged in spinning and weaving activities of Cotton, Muslin and Polyvastra. In case of silk, only weaving is undertaken. Khadi's prestigious products are silk sarees (Payyannur Pattu and Chithali silks), cotton sarees, kuppadam dothies, bedspreads and towels. The Khadi Board has a total of 233 sales outlets throughout the state which includes 36 Khadi Grama Soubhagyas, 55 Khadi Soubhagyas,and 142 Grama Soubhagyas. In 2006-07 the Board has achieved the sales of 12 crores (Economic Review, 2013).

There is a rise in the plan amount spent on Khadi sector from194.27 Crore to 1,454 Crore and non plan amounts from 43.7 Crore to 229.1 Crore respectively in the period 1994-95 to 2014-15. The interest rate of subsidies to Khadi textiles increased from 9.63 Crore to 31.45 Crore (Annual Reports of MSME, 1995-2015).

As part of popularization of the Khadi / Handloom cloths, the Government had issued a G.O. (MS) No.131/06/IND dated 30-12- 2006 with a solicition to the effect that all Malayalees especially Government employees should wear Khadi cloths at least once in a week from 1- 1-2007 onwards. Similarly the Chief Minister of Kerala had solicited the entire Malayalees to wear Khadi cloths at least once in a week for creating more employment opportunities in the Khadi/Handloom sector and inculcating the pride of Swadeshi (www.kkvib.org/Schemes).

The main marketing of Khadi/Handloom is through the rebate policy of government. Government also provide marketing support to handloom agencies and the individual weavers to organize melas, fairs and exhibitions. The Office of the Development Commissioner for Handlooms assist the State Government to organize handloom Expos by way of financial support towards infrastructure, publicity etc. Government of Kerala has encouraged all Keralaites to use Handloom and Khadi products through Mass Campaigns inculcating the pride of Swadeshi (Industrial and Commercial Policy, 2007). It has been introduce the "Handloom Mark" which will provide a collective identity to the handloom products and can be used for popularizing the hand woven products and also serve as a guarantee for the buyer that the product being purchased is genuinely hand woven. Therefore, Handloom Mark is a hall mark of powerful creative work that defines the product with clarity, distinguishing it from competition and connecting it with customers. In Kerala, Mohanlal is the Brand Ambassador of Handloom (Economic Review, 2012).

The Handloom Sector in Kerala stands second to the coir sector in providing employment among the traditional industries of the State. Kerala stood fourth in handloom production in the country, just behind, Andhra Pradesh, Tamil Nadu, and Uttar Pradesh. The Handloom Industry in the State is mainly concentrated in Thiruvananthapuram, Kannur and Ernakulam District and in some parts of Kozhikode, Palakkad, Thrissur, Kollam and Kasaragod Districts. The Industry is dominated by the Co-operative sector, covering 97 per cent of total looms. The remaining three per cent of Handlooms units are owned by Industrial entrepreneurs. The Co-operative sector consists of factory type and cottage type societies. The number of registered Primary Handloom Weavers Co-operative Societies in the State as on November, 2014 is 705.

The major varieties of products produced in the handloom sector of the State are dhothis, furnishing material, bed sheets, shirting, saree and lungi. These items contribute about 67 per cent of the total production of handlooms sector. About 80 per cent of the major items are produced in the southern region followed by Northern region (12 per cent) and Central region (5 per cent). Of the total production, nearly 95

per cent is contributed by the co-operative sector and the balance of 5 per cent is by the units in the entrepreneurial sector (Economic Review, 2014).

Few years ago the handloom sector in Kerala was a very vivacious industry in Kerala. About fifteen years ago, there were around 510,000 weavers, which has now dropped down to just 195,000. The handloom weavers' cooperatives societies have also fallen by a sharp 50 percent in the same period. Kerala stood fourth in handloom production in the country, just behind Andhra Pradesh, Tamil Nadu and Uttar Pradesh. The number of weavers keep falling with each passing year. Low wages is one of the other reasons for traditional handloom weavers' opting out of the trade. Powerlooms have also create rivalry for the industry, as powerlooms supplying cloth at cheaper rates compared to handloom cooperatives.

In Kerala, about 96% of Handloom Industry is owned by co-operative sector and 4% are under unorganized or private sector. Handloom cloth is regarded as an illustrious example of the heritage and unique craftsman ship of Kerala. The significance of the handloom industry from other traditional industries is that it is blended with the culture and daily life of Keralities. As cloth is a primary need of the mankind, the sector gives daily bread to most of the population next to agriculture.There are 50,255 looms in the State and the share of Kannur is 11000. In Kannur, there are 73 registered Co- operative Weavers Societies and 79 Handloom Units engaged in production of export variety items.

Traditional Handloom products of Kerala are extremely popular for its distinct blend of elegance, simplicity and excellence in design. The overall production of cloth by handloom societies in Kerala decreased from 70.75 million meters in 2001-02 to 56.82 million meters in 2002-03.

Handloom cloth is regarded as the heritage and unique craftsman ship of Kerala. The importance of the handloom industry from other traditional industries is that it is blended with the culture and daily life of Keralities. As cloth is a primary need of the mankind, the sector gives daily bread to most of the population. Handloom industry in Kerala stands second to the coir sector in providing employment among the traditional industries of the State. Kerala stood fourth in handloom production in the country, just behind, Andhra Pradesh, Tamil Nadu, and Uttar Pradesh.

A very large number of looms are located in rural areas. In early days majority of handloom weavers followed the hereditary line. The major communities engaged in weaving were Saliyas and Devangas. Earlier they were producing cloth for their own consumption and for the need of their village. Increase in production and improvement in transport facilities removed the hindrance of time and eased the exchange of commodities. The skill of weaving has been passed from parents to children.

British, French and Portuguese people visited Kerala during the 15th century. They were attracted by the things like spices, ivory and beauty of handloom fabrics. They began to purchase large quantities and exported to their countries. After the British captured India they took up and nourished handloom industries for their purposes. At the end of the 18th century the monopoly came to an end. During the period of foreigners the weavers of Kerala learned all techniques and they paralleled the way for the production of furnishing fabrics according to new style of demand.

At the beginning of the 20th century, the Sree Narayana movement influenced Kerala society by and large prompting the caste based culture to change towards secular and modern industrious culture so that many people from traditional Thiyya/Ezhava community had taken up their employment in Handloom industry to do away with the toddy tapping to respond with the advice of Sree Narayana Guru. These changes also has its own mark in making the present shape of Kerala Handloom Industry.

The 'Kerala Kasavu Sarees' are famous among women all over India for their fineness count and natural colours, texture and gold borders. Kerala is also known for its unbleached cotton handloom crepe popularly known as 'kora' cloth this has entered in the foreign market and occupied a proud place in the garment industry.

Kerala is the thirteenth largest state by population and is divided into 14 districts with the capital as Thiruvananthapuram. Balaramapuram, in Thiruvananthapuram district is the most historically important place for handloom fabrics. The weavers belong to Saliyas were migrated from Nagar coil and Thirunelveli in Tamil Nadu during the time of Balarama Varma before 250 years. For the royal family they had been

produced super fine 'Mundum Neriyathu'. The technique of producing the superfine fabric spreaded from them to the local weavers in Balaramapuram and the surrounding places. There are 349 societies and 44700 weavers are working with their looms. The main products of district are fine cotton textures, durries with special design, fine grey sarees with kasavu (Jari), set-mundu, Mundhu (dhothi for men), Earezha thorthu (bathing towel), Melmundu etc. There are 42 total showrooms of Khadi, Hantex and Hanveev in Thiruvananthapuram district.

Chendamangalam, in the Ernakulam district is also an important handloom centre in Kerala. Here they have been producing the superfine double dhothies, 'Mundu and Neriyathu', synthetic silk sarees, matching set etc. Fine grey sarees called as 'Chennamangalam sarees are the product of Ernakulam district. The distinction of these fabrics is that they have producing a special effect in weft direction. In east Ernakulam, earzha thorthu and cheaper variety bed sheets are produced. There are 30 societies and 8494 weavers with their looms. There are 40 total showrooms of Khadi, Hantex and Hanveev in Ernakulam district.

Handloom industry is the most important and the largest in Kannur district. The handloom cloths of Kannur have been won international reputation. The industry has been confined to the production of coarse varieties of dhoties and like, in the past. Production of quality and exportable varieties of handloom fabric has been started when the Basal Evangelical Mission entered the field at the close of the 19th century. The handloom industry, which has been once the monopoly of private enterprise, has since been organised on co-operative lines. It provides employment to more than a lakh persons directly and indirectly. Stiff competition from other states, non-availability of raw materials, high labour cost, etc. have contributed to the present low level of production and closure of several hosiery units (http://www.knr.kerala.gov.in/sectors.htm).

Kannur is called as the 'Manchester of Kerala'. The famous Kannur sports shirting varieties like Crepe, shirting, Made-ups, Furnishing, Trukish towels, Sateen sheets, Lungies, Earezha thorthu etc are the contributions of this district. There are 73 societies established in this district and 13667 weavers working upon it. There are 109 total showrooms of Khadi, Hantex and Hanveev in Kannur district.

Procurement and marketing of handloom fabric in the state are done by two state level organizations – Hantex (Kerala State Handloom Weavers Co-operative Society) and Hanveev (Kerala State Handloom Development Corporation Ltd.). These two are the principal development agencies assisting the Department of Handlooms and Textiles.

Hantex was set up in 1961. It is the apex organization of handloom cooperatives, responsible for the supply of raw material for the primary weaver's societies and for marketing of their products. Hantex, the one and only protective umbrella for the Weavers in the Co-operative sector of Kerala. It has 4 regional offices-Kollam, Ernakulam, Palakkad, and Kozhikode. It has a large marketing network of 155 show rooms / sales outlets of which 4 under the regional office Kollam, 39 under the regional office Ernakulam, 36 under the regional office Palakkad and 40 under the regional office Kozhikode. Its products are handcrafted fabrics, garments, furnishings, made –ups, sarees, traditional wears etc. It is having an annual turnover of around ` 300 million. It also has two weaving factories, two garments units and one cloth processing unit. Societies registered under Hantex during 2005 –06 is 3 and total number is 466. About 80% of goods produced by the societies are marketed through Hantex and about 20% through own retail shops.

Table-4.1: Performance of M/s. Hantex from FY 2009-10 to 2014-15.

Year	Net Profit (+)/ Net Loss (-) (` Lakh)	Accumulated Loss (` Lakh)
2009 -10	-567.96	-9494.27
2010 – 11	43.34	-9450.93
2011 – 12	-420.11	-9871.20
2012 – 13	-398.11	-10269.31
2013 – 14	-84.26	-10353.49
2014 – 15	7659.53	-4222.31

Source: Economic Review, 2010-2015.

Hanveev was set up in 1968. It acts as a link between the weavers and the consumers and helps to eliminate the middle men, i.e., the raw materials are supplied to weavers at reasonable price and made arrangements for marketing these products. It has 3 regional offices – Trivandrum, Ernakulam ,Kannur. It also has 33 production centers called clusters and 1 processing center (pre – loom and post – loom) at Kannur. There are 6500 registered weavers under the corporation.

Hanveev, a brand name trusted by all for expertise in handweaving, from Kannur, a land known world wide for its traditional designs and skilled craftsmanship. Hanveev presents a wide range of traditional handwovendesigner sarees, Cotton sarees, Dothies, Set mundu, Lungies, Cotton shirtings, Towels, Bed sheets and a bunch of traditional varieties. In addition, Hanveev also meet the requirements of various Government Offices, Public Sector Undertakings, Polytechniques, I.T.I's and stretched up to meet the requirements of hundreds of schools for their uniforms. Its corporate office is at Kannur with three regional offices- Kannur, Ernakulam and Trivandrum. It has a total of 77 showrooms of which 21 under the regional office Kannur, 26 under the regional office Ernakulam and 23 under the regional office Trivandrum; and 6 agency showrooms – 5 under Kannur, 1 under Ernakulam and 1 under Trivandrum.

Hanveev, which is the procuring and marketing organization of handloom fabrics in the state makes loss and the accumulated loss increases to ` 3008.44 lakh by the end of March 2006. During the year 2002- 03 it made a net loss of 420.47 lakh. During the year 2003-04 made a net loss of 685.02 lakh and during the year 2004-05 also made a net lose of 417.89 lakh. The total income of Hanveev through sales of products decreased from ` 16.88 crores in 2001-02 to ` 9.90 crores in 2002-03. It incurred a net loss of 448.64 lakhs in 2002-03 compared to the loss of 207.17 lakhs during the previous year. The accumulated loss increased to ` 1441.29 lakhs at the end of March 2003.

Table-4.2: Performance of M/s. Hanveev from FY 2007-08 to 2014-15.

Year	Sales Turnover (` Lakh)	Accumulated Loss (` Lakh) (-)	Net Profit (+)/Net Loss (-) (` Lakh)
2007 – 08	1343.82	3631.67	-419.26
2008 – 09	1381.88	4096.42	-464.75
2009 – 10	1716.37	4218.68	-122.5
2010 – 11	1036.44	4697.69	-478
2011 – 12	1176.08	5265.80	-770.09
2012 – 13	1646.29	5888.90	-623.11
2013 – 14	1755.59	6277.27	-388.37
2015 – 16	1893.42	6795.99	-518.71

Source: Economic Review, 2008-2015.

A 'handloom' is a loom that is used to weave cloth without the use of any electricity. Hand weaving is done on pit looms or frame looms generally located in weavers' homes. Weaving is primarily the interlacing of two sets of yarn – the warp (length) and the weft (width). The equipment that facilitates this interlacing is the loom.

As part of popularization of the Khadi/Handloom cloths, the Government had issued a G.O. (MS) No.131/06/IND dated 30-12- 2006 with a solicition to the effect that all Malayalees especially Government employs should wear Khadi cloths at least once in a week from 1- 1-2007 onwards. Similarly the Chief Minister of Kerala had solicited the entire Malayalees to wear Khadi cloths at least once in a week for creating more employment opportunities in the Khadi/Handloom sector and inculcating the pride of Swadeshi (www.kkvib.org/Schemes).

Difference between Handloom and Khadi

Yarn spun by hand is known as "hand spun yarn" and yarn spun by machines is called "mill spun yarn". Fabrics woven out of hand spun yarn on handlooms are called "*khadi"*, while mill spun yarn woven on handlooms are called *"handloom"*fabrics.

Yarn in layman's words is 'thread'. Cotton yarn can be hand spun in two ways – cotton to yarn by hand, cotton to sliver by mechanical process and then spun by hand. Fibers are drawn out and twisted to form yarn in hand spinning process. The resultant yarn varies according to the material used, fiber length and alignment, quantity of fiber used and degree of twist. Yarn thickness differs depending on the skill of the spinner. Skilled spinners can spin fine yarn counts. Fabric woven by hand on pit looms using hand spun yarn is referred to as 'Khadi'.

Cotton yarn can also be spun on machines. The yarn is spun in spinning mills where all the activities of de-seeding, cleaning, ginning and spinning are centralized and mechanized. Yarn is spun on to cone shaped holders and is referred to as 'cone yarn'. Yarn spun on machines is called mill spun yarn and fabric woven on the hand loom with mill spun yarn is referred to as "handloom fabric".

Advantages of Handloom Cotton

The handloom experience (soft, comfortable and durable) is due to the human handling of the yarn in the weaving process. As a result, yarn and the fabric are much less stressed and damaged. Hand woven cotton is known for its breathability as compared to mill made cotton. This implies that it allows more air penetration making it cooler, softer and more absorbent. It keeps you cooler in summers and warm in winters.

4.4 Summary

At present, the handloom industries in Kerala is able to withstand the competitions from the power looms and mill sectors only because of State Government interventions through financial assistances and implementation of various developmental and welfare schemes. The handloom industry also faces a serious crisis like the shrinking market for handlooms in Kerala.

The Khadi sector has at present most of the problems indicated for traditional industries including handloom, but in a more acute form. As the production process is total manual, one unit of Khadi cloth takes several times the man –days needed by the mechanized textile sector and four times that of the handloom sector.

Handloom weaving has been historically favoured by government action, receiving input subsidies and price supports and so on. Indian economy is undergoing non-precedent changes since the introduction of New Economic Policies in the wake of globalization and liberalization. This means that handloom weaving which, enjoyed protection-led growth is bound to accept a kind of competition led growth. With regard to the high rural wage level in the State, the artisans expect a comparatively high wage in spinning and weaving too. Further, the Weavers in handloom sector, who weave Khadi too, expect wages on par with the rate in Handloom Sector. In this background, it is necessary to provide incentives to spinners and weavers, to enhance production, to ensure reasonable income to the artisans and thus to attract more artisans to this sector. It can be done by attracting more customers to use Handloom and Khadi products. For this affective modern marketing practices must have to be followed by the Handloom and Khadi Industries in Kerala. So a study on marketing practices followed by the Handloom and Khadi Industries in Kerala is needed.

Consumer is the focal point of the nation's economic cycle as other developmental activities centre around him. In a competitive economy, it is the consumer who decides the success or failure of a business either by buying or not buying the product. This idea underlines the concept of 'Consumer's Sovereignty'. The modern marketing concept has recognized this right, and this is reflected in well-known statements like 'Consumer is the King'. (P. Sivaprakasam & S.Rajamohan, 2001). So the study should include a consumer satisfaction survey too.

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Chapter 5

RESEARCH METHODOLOGY

Contents

5.1 Introduction
5.2 Research Process
5.3 Pilot Survey and Construction of Schedule
5.4 Population of the Study
5.5 Sampling Design
5.6 Data Collection
5.7 Data Analysis
5.8 Summary

5.1 Introduction

The present study is an attemptto analyse the influence of marketing practices, in Handloom and Khadi industries in Kerala, on customer satisfaction and loyalty. Research is a scientific study in order to establish facts and reach conclusions (Laldas, 2005). The aim of a research is to advance our knowledge. The success of any research depends largely on the logical analysis of critical problems and alternatives. For this, selection of suitable tools of analysis and appropriate methodology is necessary. This chapter details the research methodology adopted in the study for a systematic and logical investigation. It covers the population of the study, sampling design, schedule formation, data collection and techniques of data analysis. This chapter also mentions the research design and the methodology adopted to meet the various objectives of this research.

5.2 Research Process

The research process adopted in this study involved two phases. The first phase of the study consists review of available literatures, developing objectives and identification of variables and development of theoretical framework. An exploratory research has been done for the confirmation of objectives. Literature reviews, observation, informal discussions with customers and salespersons and formal discussion with administrative members in the Handloom and Khadi industries have been done for this.

The second phase of the study was descriptive in nature. In this phase the decision regarding research design was completed. Descriptive research designs are generally quantitative in nature (Burns and Bush, 2002; Churchill and Lacobucci, 2004; Hair et al., 2003). The major purpose of descriptive research is description of the state of affairs as it exists at present. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening (Kothari, 2004). Descriptive studies are undertaken in many circumstances. When the researcher is interested in knowing the characteristics of certain groups such as age, sex, educational level, occupation or income, a descriptive study may be necessary. Other cases when a descriptive study could be taken up are when he is interested in knowing the proportion of people in a given population who have behaved in a particular manner, making projections of a certain thing; or determining the relationship between two or more variables (Beri, 2005). In other words, descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual or of a group (Kothari, 2004).

Keeping in view of the objectives, survey method has been found appropriate for the study. Jick (1983) stated that survey research may contribute to greater assurance in the generalizability of the results of the study. A major strength of survey research is that detailed information can be obtained from a sample of a large population (Beri, 2005). The consequent step in this research process was confirmation of decision regarding construction of Schedule, deciding scale of rating responses, sampling design and data collection strategy.

In the analysis stage of the study Structural Equation Modeling has been used. Structural Equation Modeling (SEM) was taken up to examine the link between concepts implemented for the study. Structural Equation Modeling assesses the strength and reliability of the outcomes as well as the models stability.

The diagrammatic presentation of Research Process adopted for the present study is depicted in the following figure: 5.1.

Figure-5.1: Research Process

5.3 Pilot Survey and Construction of Schedule

Before starting with data collection for the entire sample, a pilot survey has been conducted on 100 customers from three regions of Kerala. The entire Kerala has been divided into Northern, Central and Southern regions. Kannur was selected as the representative district of Northern region, Ernakulam was

selected as the representative district of Central region and Trivandrum was selected as the representative district of Southern region. Kannur, Ernakulam and Thiruvananthapuram was selected as the representative districts of the corresponding regions on the basis that Handloom and Khadi industries were mainly concentrated on these regions compare to other districts in the Northern, Central and Southern regions of Kerala (Economic Review, 2001-2014). Pilot survey has been done for testing the reliability and validity of various causal attributes used. From the pilot survey it has been found that majority of the customers purchased textiles from Kerala Handloom and Khadi showrooms during the seasonal discount/rebate time. So seasonal discount/rebate time of Kerala Handloom and Khadi showrooms has been included in the data collection period. Also from the pilot survey it has been found that more sales has been generated in some Khadi, Hantex and Hanveev showrooms in Kerala. Hence more sales generated Khadi, Hantex and Hanveev showrooms were included to select the customers during the final data collection period. A variability test has been done to determine if there is more variability in the score of sample from one region than in the score of sample from another region. As per the result of variability test i.e., using co-efficient of variability using the formula $F = n_1 S_1^2 / n_1\text{-}1 \div n_2 S_2^2 / n_2 - 1$ Kannur region shows more variability. So more customers were allocated to Kannur region during the final data collection period.

Responses of customers have been measured on a Five-Point Scale with scoring indicators 1 for Strongly Disagree, 2 for Disagree, 3 for Neither Agree Nor Disagree, 4 for Agree and 5 for Strongly Agree. In the Schedule which was administered to Khadi/Handloom customers in Kerala the least favourable response was given the least score say 1 and the most favourable response was given the highest score say, 5. Neutral response score was given 3.

After pre-testing the Schedule selected from some part of the highest and the lowest total scores, say top 25 per cent and the bottom 25 per cent. These two groups were interpreted to represent the most favourable response and the least favourable response and were used as criterion groups to evaluate individual statements. Similarly, here it was determined that which statements consistently correlate with low favourability and which with high favourability. Only those statements that correlate with the total pre- test was retained in the final Schedule and all other statements discarded from it to finalize the Schedule (Kothari, 2004).It has been facilitated in modifying the Schedule successfully.

In the customer Schedule, the primary section were meant to gather information regarding the demographic profile of the respondents such as Gender, Age, Area of Domicle, Work Experience, Nature of Work, Education Level, Income Level, Reason for Visit and Length of Usage which contributes to perception of the customers. Perception/Satisfaction of customers have been measured on a Five Point Scale for five dimensions of Customer Satisfaction namely, Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image which were the marketing practices considered in this study. The five dimensions of Customer Satisfaction have been represented by thirty statements, with at least six statements representing each dimension. Six statements each were there for measuring perception regarding satisfaction and loyalty. Another variable named Choice Overload has been included in the Schedule with five statements. All together there were forty seven statements or scale items in the Schedule for customers. The final Schedule administered to the customers has been given in Appendix: I.

5.4 Population of the Study

This research was conducted among the customers of Hantex, Hanveev and Khadi textile showrooms, which are marketing Handloom/Khadi textiles, in Kerala. Hence the population of the study had consisted of all those customers who had purchased the Handloom and Khadi textiles from Hantex, Hanveev and Khadi textile showrooms in Kerala. The data collectionperiod was April 2015 to October 2015. The geographical territory considered for the study covered the entire Kerala State that has a population of approximately 34.8 million as per 2011 census.

5.5 Sampling Design

The sampling design explains the specific plan for obtaining a sample from the population. The major steps involved in sampling design was as follows:

a) Deciding the Sample Unit

b) Determining the Sample Size

c) Deciding the Sampling Technique

5.5.1 Sampling Unit

A sample corresponds to the number of people, units or objects selected to represent the population according to some rule or plan. The sampling unit is an element in the sample and in this study customer who have been purchased Handloom and Khadi textiles from Hantex, Hanveev and Khadi textile showrooms in Kerala is considered as the sampling unit.

5.5.2 Sample Size

The accuracy of the research lies in generating sufficient data so that the illuminated patterns, concepts, categories, properties and dimensions of the given phenomena can emerge (Strauss and Corbin, 2008). Hence, it is essential to obtain a suitable sample size that will generate adequate data (Auerbach and Silverstein, 2003). A sample sizes less than 100 is considered "small" and may only be suitable for very simple models; 100 to 200 is "medium" and may be an acceptable minimum sample size if the model is not too complex; and greater than 200 is "large", which is probably acceptable for most models (Kline, 2005). More over the sample size should be at least ten times the number of variables to be analyzed (Hair et al., 2007). There were 47 final scale items in the Schedule of Customer Perception/Satisfaction. There has been considerable arguments over the size of adequate sample size for the results to be statistically valid (Hinkin et al., 1997), with there being no universal rule to define a suitable sample size (Flynn and Pearcy, 2001). Different people have recommended different sample sizes as appropriate, including an absolute sample from one hundred or larger (Hair et al., 1998), one hundred to two hundred (Flynn and Pearcy, 2001), and ratios of items to respondents from 1:4 to 1:10 (Hinkin, 1995; Flynn and Pearcy, 2001). Rick C Farr et al. (2004) proposes that the researcher certainly not needs beyond a few hundred responses even for a population of one million. Crimp et al. (1995) found that sample size anything larger than 30 and below 500 is suitable for the research methods. Hyman et al. (2000) argued that many researchers and statisticians have already observed the statistical and cost implications of different sample sizes and have recognized the appropriate sizes for different types of studies. The authors suggested the minimum sample size required for conducting market studies as 500. Andy Field (2009); Comrey and Lee (1992) categorize 300 as a good sample size, 100 as a poor and 1000 as excellent. As sample size increases, sample variance (variation between observations) increases but variance of sample mean i.e., standard error decreases and hence precision increases. In anticipation of outliers and missing values a largesample size should be there in the study to offset the effect of outliers and missing values and also to ensure precision. So the sample size should be big enough to make reliable inferences about the population. Hence in this study on marketing practices in Handloom and Khadi industries in Kerala a sample size of 960 customers was decided.

5.5.3 Sampling Technique

Among sampling techniques, random sampling is of great importance since most statistical tests fit on to this type of sampling method and also representativeness and generalizability can be achieved well with random samples from a population (Thompson, 1997). In this study population consisted of all those customers who have purchased the Khadi/Handloom textiles from Hantex, Hanveev and Khadi showrooms in Kerala during the period of the study. It is necessary to adopt a sampling method whereby the samples chosen would be fairly representative of the population. Hence Stratified Random Sampling technique has been used to choose the respondents.

The entire Kerala has been divided into Northern, Central and Southern regions. Kannur was selected as the representative district of Northern region, Ernakulam was selected as the representative district of Central region and Thiruvananthapuram was selected as the representative district of Southern region. Kannur, Ernakulam and Thiruvananthapuram was selected as the representative districts of the corresponding regions on the basis that Handloom and Khadi industries were mainly concentrated on these regions compare to other districts in the Northern, Central and Southern regions of Kerala (Economic Review, 2001-2015).

Table 5.1: Total No. of Showrooms of Handloom/Khadi, Kerala

Khadi/Handloom	All Kerala No. of Sales Outlets	Thiruvananthapuram (Southern) No. of Sales Outlets	Ernakulam (Central) No. of Sales Outlets	Kannur (Northern) No. of Sales Outlets
Khadi	233	18	11	77
Hanveev	77	8	11	15
Hantex	155	16	18	17
Total	465	42	40	109

Source: Economic Review (2013), State Planning Board, Kerala.

For selecting the respective showrooms from where customers' were to be interviewed, proportionate selection of sample was adopted. So that from among 42 total showrooms of Khadi, Hanveev and Hantex at Thiruvananthapuram 21 showrooms has been chosen randomly from Thiruvananthapuram of which 9 were Thiruvananthapuram Khadi showrooms, 4 were Thiruvananthapuram Hanveev showrooms and 8 were Thiruvananthapuram Hantex showrooms. Out of 40 total showrooms of Khadi, Hanveev and Hantex at Ernakulam 20 showrooms has been chosen randomly from Ernakulam of which 5 were Ernakulam Khadi showrooms, 6 were Ernakulam Hanveev showrooms and 9 were Ernakulam Hantex showrooms. Among 109 total showrooms of Khadi, Hanveev and Hantex at Kannur 55 showrooms has been taken randomly from Kannur of which 39 were Kannur Khadi showrooms, 7 were Kannur Hanveev showrooms and 9 were Kannur Hantex showrooms.

For collecting the responses of customers' proportionate allocation method of sample size among Handloom/Khadi showrooms in three regions of Kerala has been used. Therefore, sample size of customers from Thiruvananthapuram was 210 of which 90 customers were from Thiruvananthapuram Khadi, 40 customers were from Thiruvananthapuram Hanveev and 80 customers were from Thiruvananthapuram Hantex. Sample size of customers from Ernakulam was 200 of which 50 customers were from Ernakulam Khadi, 60 customers were from Ernakulam Hanveev and 90 customers were from Ernakulam Hantex. Sample size of customers from Kannur was 550 of which 390 customers were from Kannur Khadi, 70 customers were from Kannur Hanveev and 90 customers were from Kannur Hantex.

Table-5.2: Proportionate Allocation of Sample Size of Customers among Handloom/Khadi Showrooms in Three Regions of Kerala.

Kerala - Regions	Shops	No. of Shops	Total Shops	Proportionate Selection of Shops		Proportionate Allocation of Total Sample Size of Customers Among Selected shops of 3 regions
				From Total Shops	From Each	
TVM (South)	Khadi	18	42	21	9	90
	Hanveev	8			4	40
	Hantex	16			8	80
EKM (Central)	Khadi	11	40	20	5	50
	Hanveev	11			6	60
	Hantex	18			9	90
Kannur (North)	Khadi	77	109	55	39	390
	Hanveev	15			7	70
	Hantex	17			9	90
Total		191	191	96	96	960

**828 Valid Responses.*

Source: (a) Official Records of Khadi, Hantex and Hanveev, Kerala
(b) Author's Research.

The samples were selected on a random basis after visiting the selected Handloom and Khadi showrooms. The randomness was achieved by collecting responses from every second customer visiting Handloom/Khadi showroom during the period of the study.

5.6 Data Collection

Data collection involved the collection of primary and secondary data. Primary data was collected by administering a pre-tested structured Schedules to the customers of Handloom and Khadi Industries in Kerala. The survey was conducted during April 2015 to October 2015. Data were collected by administering Schedules to the customers directly. The respondents have been approached in selected Handloom and Khadi showrooms in three different regions. The customers have been assured anonymity and that the requirement of information is for academic purpose only. They have been explained the purpose of the schedule and help had been extended to them, wherever required, for filling the schedule. The responses have been tabulated with the help of SPSS version 20.0. Secondary data was collected from journals, publications, newspapers, magazines, books, brochures, dissertations, data from published financial statements, periodicals, articles, theses, from various websites etc. Responses of customers have been measured on a Five-Point Scale. The scale has been developed by the researcher.

5.6.1 Ethics and Confidentiality

Covering letter presented in the first page of the Schedule make clear the purpose of the study and the ethical policies. The respondents were informed that they were participating voluntarily and no risks, such as psychological, moral and legal or any other risks, would be involved in filling up their response. Completed Schedules collected from the respondents were kept safe and were available only to the researcher and supervisor. The results were reported in a comprehensive form in order to avoid any possible identification of individual responses.

5.7 Data Analysis

For the analysis of data collected, 828 valid responses were used after draining out 127 missing values and 5 outliers. In the data analysis chapter, 6.1.1 mentions the prevailing marketing practices in Handloom and Khadi textile industries in Kerala. 6.1.2 deals with the variables identified to assess the perception and satisfaction of customers towards marketing mix and brand image of Handloom and Khadi textile industries in Kerala. For the analysis of theoretical model and detailed explanation of the results of the primary data collected, the data analysis chapter has been divided into 6 parts. Part – 1 (A) deals with the analysis of the quality (i.e., sample size adequacy, missing value verification, outlier identification, normality analysis, multicollinearity analysis, randomness of data and data independence analysis) of primary data collected from the customers of Handloom and Khadi textile Industries in Kerala. It has been done using various statistical tools. Part – 1 (B) deals with validity and reliability analysis of scale developed by the researcher. Part -2 presents the demographic profile of the customers. It has been assessed using percentage analysis. Part -3 explains the relationship of demographic variables with marketing practices and customer satisfaction and loyalty and its moderating effect choice overload. It has been analyzed using t- Test, MANOVA and One-Way ANOVA. Part – 4 presents the analysis of theoretical model of Marketing Practices on Customer Satisfaction and Loyalty Dimensions. It has been done in three stages: a) Framing Theoretical Model b) Assumptions lead to Hypotheses Formulation and c) Validation of Proposed Model of Marketing Practices and its influence on Customer Satisfaction and Loyalty. Validation of the proposed model of marketing practices and its influence on customer satisfaction and loyalty has been performed using Structured Equation Modeling (SEM). This part has been presented in two phases. In the initial phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 1 without moderation effect of choice overload has been carried out. In the later phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 2 with moderation effect of choice overload has been executed. Part – 5 exhibits a generated model of Marketing Practices on customer satisfaction and loyalty of Handloom and Khadi industries in Kerala based on the analysis of data collected and substantiated and also suggests strategies to achieve favourable perception and satisfaction in customers of Handloom and Khadi textile industries in Kerala which in turn creates customer loyalty . Finally, Part – 6 exhibits a modified model of Marketing Practices which explains the strategies to improve Customer Satisfaction and Loyalty of Handloom and Khadi industries in Kerala.

5.7.1 Part – 1 (A) Quality Check of Primary Data and Part – 1 (B) Analysis of Validity and Reliability of Developed Scale

Analyzing quality of data was executed in part – 1 (A) of data analysis. It involves procedures adopted in verifying and clarifying data for further analysis. This included steps such as:

- Adequacy of Sample Size.
- Verification of Missing Values was done using frequency test.
- Identification of outliers – univariate outliers were identified using Z scores and absence of multivariate outliers were established using leverage values.
- Analysis of Normality has been done by performing Kolmogorov-Smirnov[a] test and found the existence of non-normality. Therefore tested the deviation of Normality to confirm whether deviation was problematic by testing Skewness and Kurtosis.
- Analysis of Multicollinearity was done using Collinearity Statistics by calculating VIF.
- Randomness of data was established by performing RUNS test.
- Analysis of Data Independence was done by calculating Durbin – Watson statistics.

Analysis of Validity and Reliability of Developed Scale was executed in part- 1 (B) of data analysis –

- Analysis of Validity has been done by performing Discriminant and Convergent validity; and
- Reliability of the scales for latent variables was established using Cronbach's Alpha as all corresponding Cronbach alpha coefficients value were equal to or greater than .7

5.7.2 Part – 2 Demographic Profiles of the Respondents

Here, the demographic profiles of the respondents in the study were presented. For the purpose of the study the responses of Khadi/Handloom customers in Kerala has been carried out. The demographic variables considered for the study are Gender, Age, Area of Domicle, Work Experience, Nature of Work, Education Level, Income Level, Reason for Visit and Lengthof Usage of Khadi/Handloom customers from whom data were collected.

5.7.3 Part – 3 Relationship of Demographic Variables with MarketingPractices and Customer Satisfaction and Loyalty and its Moderating Effect Choice Overload

The relationship between demographic variables with Customer Satisfaction and Loyalty and its moderating effect Choice Overload were analyzed in this stage. That means the degree of influence of marketing practices or causal attributes such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload has been analyzed on the basis of demographic profile of the Khadi/Handloom Customers. For performing the above analyses the demographic profiles such as gender, area of domicile, age, education level, work experience, income level, nature of work, reason of visit and length of usage of Khadi/Handloom Customers has been considered.

In order to analyze the impact of different demographic variables on Customer Satisfaction and Loyalty and its moderating effect Choice Overload Group comparisons were performed. t - Test has been performed for gender of the Khadi/Handloom Customers. MANOVA has been performed for area of domicile, age, education level, work experience, income level, and nature of work and reason of visit of Khadi/Handloom Customers. ONE – WAY ANOVA has been performed for length of usage of Khadi/Handloom Customers.

5.7.4 Part – 4 Analysis of Theoretical Model of Marketing Practices onCustomer Satisfaction and Loyalty Dimensions

One of the important objectives of this study was to develop and analyse a theoretical model demonstrating the linkage between the variables identified to cause the satisfaction and loyalty of customers of Khadi and Handloom textile industries in Kerala. The analysis procedure was done in 3 stages:

- Framing Theoretical Model and
- Assumptions lead to Hypotheses Formulation
- Validation of Proposed Model of Marketing Practices and its influence on Customer Satisfaction and Loyalty

The theoretical model of Marketing Practices and its influence on Customer Satisfaction and Loyaltydimensions was framed on the basis of theoretical framework study which was mentioned in Chapter – 3. On the basis of assumptions in the Model hypotheses was formulated. Validation of the Proposed Model of Marketing Practices and its influence on Customer Satisfaction and Loyaltyhas been performed using Structured Equation Modeling (SEM). This part is presented in two phases. In the initial phase Validation of Marketing Practices and its influence on Customer Satisfaction and LoyaltyModel – 1 without moderation effect of choice overload has been carried out. In the later phase Validation of Marketing Practices and its influence on Customer Satisfaction and LoyaltyModel – 2 with moderation effect of choice overload has been executed.

5.7.5 Part – 5 Generated Model of Marketing Practices on Customer Satisfaction and Loyalty ofHandloom and Khadi Industries in Kerala.

Based on the analysis of data collected (as performed in the last phase of Part – 4), Part – 5 exhibits a generated model of customer satisfaction of Handloom and Khadi industries in Kerala and substantiated.

5.7.6 Part – 6 Modified Model of Marketing Practices toImprove Customer Satisfaction and Loyalty of Handloom and Khadi Industries in Kerala

Modified model of customer satisfaction of Handloom and Khadi industries in Kerala presented a linkage between Brand Image and Promotional Effectiveness. It suggested the strategies to improve the customer satisfaction and loyalty of Handloom and Khadi industries in Kerala.

5.8 Summary

This chapter mentioned the different methods adopted for the conduct of the study. The explanation for each decision regarding data collection strategy, sample size, Schedule design and analysis methods were detailed. The reliability and validity of any research depends greatly on the quality of data used in the study. A well planned data collection mode is necessary for ensuring high quality data. The survey method is considered to be the most appropriate research method for this study. The Schedule developed by a multi-phase procedure to select the most suitable and relevant questions. Primary data from a total of 960 customers were obtained in this study using stratified random sampling method. The methodology adopted for the data analysis and interpretation has also mentioned in this chapter. The proposed analysis strategy was finalized and rationale for using each procedure was explained. The next chapter presents the results of the data analysis and interpretation.

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Chapter 6

DATA ANALYSIS AND INTERPRETATION

Contents

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6.8 Summary

6.1 Introduction

Textile Industry plays a significant role in the economic growth of the country through its contribution to industrial output and employment generation. Kerala's textile industry comprises of traditional Handloom sector, Powerloom sector, Mill Sector, Weaving and Spinning Sector i.e., Khadi Sector (Economic Review, 2014).

6.1.1 Prevailing Marketing Practices

From the study it is found that the prevailing marketing practices of Handloom and Khadi textile industries in Kerala are as follows:

- Khadi Board promotes khadi industry departmentally and institutionally.The Board is engaged in spinning and weaving activities of cotton, muslin and polyvastra. Khadi's prestigious products are silk sarees, cotton sarees, kuppadam dothies, bedspreads and towels. The Khadi Board marketed its textile products through its own sales outlets. It has a total of 233 sales outlets throughout the state which includes 36 Khadi Grama Soubhagyas, 55 Khadi Soubhagyas,and 142 Grama Soubhagyas.
- The main marketing of Handloom and Khadi textiles is through the rebate policy of government.
- Government also provide marketing support to handloom agencies and the individual weavers to organize melas, fairs and exhibitions. The Office of the Development Commissioner for Handlooms assist the State Government to organize handloom Expos by way of financial support towards infrastructure, publicity etc.
- As part of popularization of the Khadi / Handloom cloths, Government of Kerala had issued a Government Order (MS) No.131/06/IND dated 30-12- 2006 with a solicition to the effect that all Malayalees especially Government employees should wear Khadi cloths at least once in a week from 1-1-2007 onwards.Government also has encouraged all Keralaites to use Handloom and Khadi products through Mass Campaigns inculcating the pride of Swadeshi. (Industrial and Commercial Policy, 2007).As part of popularizing and re-establishing the pride in wearing Khadi and Handloom products, the State Government has mandated wearing it in schools and offices on Saturdays (Economic Review, 2012 andwww.kkvib.org/Schemes)
- It has been introduce the "Handloom Mark" which will provide a collective identity to the handloom products and can be used for popularizing the hand woven products and also serve as a guarantee for the buyer that the product being purchased is genuinely hand woven. Therefore, Handloom Mark is a hall mark of powerful creative work that defines the product with clarity, distinguishing it from competition and connecting it with customers (Economic Review, 2012).
- In Kerala, Mohanlal is the Brand Ambassador of Handloom (Economic Review, 2012).
- The production of Khadi fabric is a labour intensive process. The production process in the Khadi sector is totally manual, one unit of khadi cloth needs several times the man-days needed by the mechanized textile sector and 4 times of that of the handloom sector. So price of Khadi textiles is high.
- The Directorate of Industries and Commerce acts as a facilitator for industrial promotion and sustainability of MSME sector and traditional industrial sector in the State with the help of Directoratesof Handloom & Textiles, Directorate of Coir and Khadi & Village Industries Board (Economic Review, 2013).
- Government of India, engaged in promoting and developing activities like skill improvement; transfer of technology; research & development; marketing etc. and helps in generating employment/self-employment opportunities in rural areas.
- Procurement and marketing of handloom fabric in the state are done by two state level organizations – Hantex (Kerala State Handloom Weavers Co-operative Society) and Hanveev (Kerala State Handloom Development Corporation Ltd.). Hantex has a large marketing network of 155 show rooms / sales outlets.About 80% of goods produced by the societies are marketed through Hantex and about 20% through own retail shops. Its products are handcrafted fabrics, garments, furnishings, made –ups, sarees, traditional wears etc. Hanveev acts as a link between the weavers and the consumers and helps to

eliminate the middle men, i.e., the raw materials are supplied to weavers at reasonable price and made arrangements for marketing these products. It has a total of 77 showrooms of which 21 under the regional office Kannur, 26 under the regional office Ernakulam and 23 under the regional office Trivandrum; and 6 agency showrooms – 5 under Kannur, 1 under Ernakulam and 1 under Trivandrum.It presents a wide range of traditional handwoven designer sarees, Cotton sarees, Dothies, Set mundu , Lungies, Cotton shirtings, Towels, Bed sheets and a bunch of traditional varieties. In addition, Hanveev also meet the requirements of various Government Offices, Public Sector Undertakings, Polytechniques, I.T.I's and stretched up to meet the requirements of hundreds of schools for their uniforms.

- Handloom weaving has been historically favoured by government action, receiving input subsidies and price supports and so on. The handloom industries in Kerala is able to withstand the competitions from the power looms and mill sectors only because of State Government interventions through financial assistances and implementation of various developmental and welfare schemes.

6.1.2Variables Identified

The review of literature and theoretical framework clearly exposed that marketing practices in Handloom and Khadi Industries in Kerala whichhas been decided by various causal variables namely: product attributes, place characteristics, price affordability, promotional effectiveness and brand image. It is the customer who decides the success or failure of a business either by purchasing or not purchasing the product. As customer retention decides the success of any business, here this study intends to analyze the different marketing practices which are thecausal variables that influence the customer satisfaction that ultimately leads to loyalty.The study observes marketing practices as a blend of marketing mix and brand image. It examines how strong is the marketing mix and brand image in developing constructive outcomes like satisfaction and loyalty among customers of Handloom and Khadi Industries in Kerala. The study also intends to examine how choice overload of customers restrain the satisfaction in building loyalty. Analysis of demographic variables presented in Part-2 of this chapter.

6.1.3 Development of Valid and Reliable Scale

The present study has been used a Five Point Scale to measure the influence of marketing practices on customer satisfaction and loyalty with scoring indicators 1 for Strongly Disagree, 2 for Disagree, 3 for Neither Agree Nor Disagree, 4 for Agree and 5 for Strongly Agree. In the Schedule which was administered to Khadi/Handloom customers in Kerala the least favourable response was given the least score say 1 and the most favourable response was given the highest score say, 5. Neutral response score was given 3.

After pre-testing the Schedule selected from some part of the highest and the lowest total scores, say top 25 per cent and the bottom 25 per cent. These two groups were interpreted to represent the most favourable response and the least favourable response and were used as criterion groups to evaluate individual statements. Similarly, here it was determined that which statements consistently correlate with low favourability and which with high favourability. Only those statements that correlate with the total pre- test was retained in the final Schedule and all other statements discarded from it to finalize the Schedule (Kothari, 2004). It has been facilitated in modifying the Schedule successfully.

Validity determines whether the scale truly measures what it was intended to measure (Rejikumar, 2013). Discriminant and convergent validity has been confirmed in this study. A measurement instrument has good discriminant validity if the question-statements associated with each latent variable were not confused by the respondents to the questionnaire with the question-statements associated with other latent variables, particularly in terms of the meaning of the question-statements (Ned Kock, 2011). In this study, Table 6.6 shows that the diagonal values were higher than any of the values above or below them, in the same column, and hence the discriminant validity of the measurement instrument was established. In this study, Table 6.7, the loadings were found more than 0.5 with corresponding p values less than 0.05 i.e., P values associated with the loadings of the indicators were lower than 0.05; and that the indicator loadings were equal to or greater than 0.5; cross loadings were less than 0.5. Hence indicator significance and convergent validity were confirmed.

Testing the reliability of survey data is the pre-requisite for data analysis and inference. Reliability analysis tests whether a scale consistently reflects the subset it measures (Churchill. 1979; Nunnally and Bernstein,

1994). By consistency it is firstly meant that a respondent should score questionnaire/schedule the same way at different times. Secondly, two respondents with the same perception towards satisfaction should identically score the survey. In this study Table 6.9 shows that composite reliability coefficients were greater than 0.7. Table 6.10 shows that in this study reliability of the scales for latent variables were established as Cronbach's alpha values for scale items to corresponding variables were above threshold limit of 0.7. Details shown in Part-1(B) of this chapter.

6.1.4Analysis of Theoretical Model

In this chapter part - 4 presents the analysis of theoretical model framed and demonstratedthe linkage betweenthe variables of marketing practices i.e.,marketing mix and brand image identified which cause the satisfaction and loyalty among customers of Handloom and Khadi textile Industries in Kerala. For this purpose, primary data has been collected from 960 customers of Handloom and Khadi textile Industries in Kerala.Only 828 valid responses were obtained for the analysis of the model after draining out missing values and outliers. Stratified sampling method has been used for collecting the primary data and the data were collected by administering pre-tested structured schedules. There were 47 statements in the administered customer schedule.

6.1.5 Strategies to Improve Perception and Satisfaction in Customers

In this chapter part-5 presents a generated model and part – 6 presents a modified model of marketing practices which explains the strategies to improve customer perception and satisfaction which in turn improvecustomer loyalty of Handloom and Khadi textile Industries in Kerala.

For the analysis of theoretical model and detailed explanation of theresults of the primary data collected, this chapter has been divided into 6 parts. Part – 1 (A) deals with the analysis of the quality (i.e., sample size adequacy, missing value verification, outlier identification, normality analysis, multicollinearity analysis, randomness of data and data independence analysis) of primary data collected from the customers of Handloom and Khadi textile Industries in Kerala. It has been done using various statistical tools. Part – 1 (B) deals with validity and reliability analysis of scale developed by the researcher. Part -2 presents the demographic profile of the customers. It has been assessed using percentage analysis. Part -3 explains the relationship of demographic variables with marketing practices and customer satisfaction and loyalty and its moderating effect choice overload. It has been analyzed using t- Test, MANOVA and One-Way ANOVA. Part – 4 presents the analysis of theoretical model of Marketing Practices on Customer Satisfaction and Loyalty Dimensions. Ithas been done in three stages: a) Framing Theoretical Model b) Assumptions lead to Hypotheses Formulation and c) Validation of Proposed Model of Marketing Practices and its influence on Customer Satisfaction and Loyalty. Validation of the proposed model of marketing practices and its influence on customer satisfactionand loyalty has been performed using Structured Equation Modeling (SEM). This part has been presented in two phases. In the initial phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 1 without moderation effect of choice overload has been carried out. In the later phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 2 with moderation effect of choice overload has been executed. Part – 5 exhibits a generated model of Marketing Practices on customer satisfaction and loyalty of Handloom and Khadi industries in Keralabased on the analysis of data collected and substantiated and also suggests strategies to achieve favourable perception and satisfaction in customers of Handloom and Khadi textile industries in Kerala which in turn creates customer loyalty . Finally, Part – 6 exhibits a modified model of Marketing Practices which explains the strategies to improve Customer Satisfaction and Loyalty of Handloom and Khadi industries in Kerala.

6.2 Part – I(A) Analysis of the Quality of Data

One of the most important determinants of the result of the study is analyzing the quality of data. So it is important to check the quality of the collected data.The initial procedure in the data analysis stage was to verify the quality of collected data for finalizing the tools required for further analysis. Here, WARP PLS was used for analyzing data. Warp PLS 1.0 introduced in 2009 (Ned Kock) identifies nonlinear (or "warped", hence the name of the software) relationships among latent variables and corrects the values of path coefficients accordingly. Hence in this study Warp PLS 5.0 (current version) was used for analysis of relationships among latent variables.

Warp PLS is a very user-friendly and powerful SEM software tool. It helps to implement linear and nonlinear algorithms. It provides one of the most extensive sets of SEM outputs. Among the other things, it automatically calculates indirect and total effects and respective P values, as well as full collinearity estimates. It also helps in identifying nonlinear functions connecting pairs of latent variables in SEM models and calculates multivariate coefficients of association accordingly. The main features of Warp PLS 5.0 are

- It estimates P values for path coefficients automatically and hence significance can be easily established.
- It estimates several model fit indices for checking whether date is well represented by the model.
- It enables evaluation of measurement model as well as structural model simultaneously.
- The software allows users to view scatter plots of each of the relationships among latent variables together with the regression curves that best approximate those relationships.
- It calculates variance inflation factor (VIF) coefficients for latent variable predictors associated with each latent variable criterion.
- It pre-process the data before SEM analysis and hence make it easy to correct problems with the data, such as identical column names, columns with zero variance, and missing values.

6.2.A.1 Data Quality Check for Khadi/Handloom Customers

Here, the quality check for the collected data from 960 Khadi/Handloom Customers has been performed. Analysis of the quality of data involves procedures adopted in verifying and clarifying data for further analysis. This included steps such as:

i) Adequacy of Sample Size

ii) Verification of Missing Values

iii) Identification of outliers

iv) Analysis of Normality

v) Analysis of Multicollinearity

vi) Analysis of Randomness

vii) Analysis of Data Independence

i) Adequacy of Sample Size

The population of the study consisted of all those who have purchased the Khadi/Handloom textiles from Hantex, Hanveev and Khadi textile showrooms in Kerala. It is necessary to adopt a sampling method whereby the samples chosen would be fairly representative of the population. Hence Stratified Random Sampling technique has been used to choose the respondents.

The accuracy of every research lies in making adequate data so that the illuminate patterns, concepts, categories, properties, and dimensions of a given phenomena can emerge (Strauss and Corbin, 1998). Hence, it is necessary to obtain an appropriate sample size that will generate sufficient data (Auerbach and Silverstein, 2003). There has been substantial opinions over the size of acceptable sample size for the results to be statistically valid (Hinkin et al., 1997), with there being no universal rule to define an appropriate sample size (Flynn and Pearcy, 2001).

Many people have recommended diverse sample sizes as suitable, including an absolute sample from one hundred or larger (Hair et al., 1998), one hundred to two hundred (Flynn and Pearcy, 2001), and ratios of items to respondents from 1:4 to 1:10 (Hinkin, 1995; Flynn and Pearcy, 2001). Crimp et al. (1995) found that sample size anything larger than 30 and below 500 is suitable for the research methods. Hyman et al. (2000) argued that many researchers and statisticians have already observed the statistical and cost implications of different sample sizes and have recognized the appropriate sizes for different types of studies. The authors suggested the minimum sample size required for conducting market studies as 500. Andy Field (2009); Comrey and Lee (1992) categorize 300 as a good sample size, 100 as a poor and 1000 as excellent. As sample size increases,

sample variance (variation between observations) increases but variance of sample mean i.e., standard error decreases and hence precision increases. In anticipation of outliers and missing values a large sample size should be there in the study to offset the effect of outliers and missing values and also to ensure precision. So the sample size should be big enough to make reliable inferences about the population. Hence in this study on marketing practices in Handloom and Khadi industries in Kerala a sample size of 960 customers was decided.

ii) Verification of Missing Values

Missing Value concept is important for the proper management of data before starting analysis. The result obtained by the researcher may fluctuate from actual, if missing values are not properly handled. Non-response is a major reason for missing values. It occurs if the respondent does not respond to certain questions due to lack of knowledge, stress, fatigue or sensitiveness of some questions.

Here, responses collected from 960 Khadi/Handloom customers using structured schedule was entered in SPSS 20 under different variable names. To identify missing variables a frequency test was done. Missing responses and non-clarity responses were noticed in 127 cases where respondents fail to mark their responses related to certain questions which were critical in analysis point of view and hence these cases were deleted.

iii) Identification of Outliers

Outliers are created due to various reasons such as data entry errors, sampling errors as well as biased responses from the respondents. Some cases of outliers are noticed and treated as follows. Grubb's test is easy to follow to detect univariate outliers. It is based on Z value which is calculated as the difference between the outlier and the mean divided by the SD. If Z is large, the value is far from the others.

Z = [Mean - Value]/SD.

Hair et al (1998) suggest that as common rule of thumb, z scores can range from + 3 to + 4 for samples of more than 80. In this research, Univariate outliers are verified using Z scores. Z scores above absolute 4 were treated as outliers and removed (Hair et al., 1998).Here detected 5 cases as outliers, which were eliminated.

Outliers represent cases whose scores are substantially different from all others in a particular set of data. A univariate outlier has an extreme score on a single variable, whereas a multivariate outlier has extreme scores on two or more variables (Kline, 2005). This section used leverage values to detect the evidence of multivariate outliers. As none of the leverage values were above 0.5 absence of multivariate outliers established**.**After deletion of missing values and outliers, 828 usable responses were obtained and used for the analysis of the study.

iv) Analysis of Normality

Various statistical methods require the assumption that the variables observed are normally distributed. With multivariate statistics, the assumption is that the combination of variables follows a multivariate normal distribution. Since there is no direct test for multivariate normality, we generally test each variable individually and assume that they are multivariate normal if they are individually normal, though this may not necessarily the case. In SEM model, estimation and testing are usually based on the validity of multivariate normality assumption, and lack of normality will adversely affect goodness-of-fit indices and standard errors (Baumgartner and Homburg, 1996; Hulland et al, 1996; Kassim, 2001).

Table-6.1: Summary of Assumption for Normality (Khadi/Handloom Customers)

Item No.	Kolmogorov - Smirnov[a]		Shapiro - Wilk	
	Statistic	Sig.	Statistic	Sig.
Product Attributes 1	.222	0	.838	0
Product Attributes 2	.245	0	.857	0
Product Attributes 3	.218	0	.838	0
Product Attributes 4	.239	0	.844	0
Product Attributes 5	.233	0	.851	0
Product Attributes 6	.231	0	.889	0
Place Characteristics 1	.236	0	.847	0

Place Characteristics 2	.235	0	.864	0
Place Characteristics 3	.242	0	.822	0
Place Characteristics 4	.224	0	.862	0
Place Characteristics 5	.221	0	.856	0
Place Characteristics 6	.241	0	.866	0
Price Affordability 1	.237	0	.850	0
Price Affordability 2	.237	0	.863	0
Price Affordability 3	.226	0	.861	0
Price Affordability 4	.245	0	.811	0
Price Affordability 5	.232	0	.851	0
Price Affordability 6	.220	0	.840	0
Promotional Effectiveness 1	.237	0	.854	0
Promotional Effectiveness 2	.254	0	.870	0
Promotional Effectiveness 3	.249	0	.869	0
Promotional Effectiveness 4	.219	0	.837	0
Promotional Effectiveness 5	.228	0	.853	0
Promotional Effectiveness 6	.252	0	.862	0
Brand Image 1	.276	0	.791	0
Brand Image 2	.253	0	.824	0
Brand Image 3	.235	0	.870	0
Brand Image 4	.200	0	.870	0
Brand Image 5	.236	0	.840	0
Brand Image 6	.230	0	.875	0
Satisfaction 1	.317	0	.756	0
Satisfaction 2	.234	0	.858	0
Satisfaction 3	.226	0	.865	0
Satisfaction 4	.230	0	.829	0
Satisfaction 5	.220	0	.877	0
Satisfaction 6	.244	0	.862	0
Choice Overload 1	.207	0	.890	0
Choice Overload 2	.234	0	.881	0
Choice Overload 3	.291	0	.787	0
Choice Overload 4	.241	0	.823	0
Choice Overload 5	.194	0	.893	0
Loyalty 1	.237	0	.858	0
Loyalty 2	.231	0	.859	0
Loyalty 3	.213	0	.880	0
Loyalty 4	.217	0	.885	0
Loyalty 5	.230	0	.881	0
Loyalty 6	.215	0	.883	0
Df. 828 for all items. A. Lilliefors Significance Correction				

Source: Primary Data.

Table-6.2: Summary of Skewness and Kurtosis (Khadi/Handloom Customers)

Items	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Product Attributes 1	828	-.491	.085	-.583	.170
Product Attributes 2	828	-.575	.085	.120	.170
Product Attributes 3	828	-.560	.085	-.284	.170
Product Attributes 4	828	-.703	.085	.254	.170
Product Attributes 5	828	-.628	.085	.074	.170

Product Attributes 6	828	-.310	.085	-.298	.170
Place Characteristics 1	828	-.455	.085	-.414	.170
Place Characteristics 2	828	-.454	.085	-.337	.170
Place Characteristics 3	828	-.599	.085	-.479	.170
Place Characteristics 4	828	-.428	.085	-.337	.170
Place Characteristics 5	828	-.408	.085	-.619	.170
Place Characteristics 6	828	-.430	.085	-.406	.170
Price Affordability 1	828	-.715	.085	.099	.170
Price Affordability 2	828	-.524	.085	.142	.170
Price Affordability 3	828	-.626	.085	-.077	.170
Price Affordability 4	828	-.927	.085	.625	.170
Price Affordability 5	828	-.674	.085	.047	.170
Price Affordability 6	828	-.596	.085	-.211	.170
Promotional Effectiveness 1	828	-.596	.085	.155	.170
Promotional Effectiveness 2	828	-.448	.085	.007	.170
Promotional Effectiveness 3	828	-.353	.085	-.256	.170
Promotional Effectiveness 4	828	-.555	.085	-.261	.170
Promotional Effectiveness 5	828	-.427	.085	-.360	.170
Promotional Effectiveness 6	828	-.393	.085	-.228	.170
Brand Image 1	828	-.953	.085	.602	.170
Brand Image 2	828	-.663	.085	-.506	.170
Brand Image 3	828	-.144	.085	-.458	.170
Brand Image 4	828	-.353	.085	-.773	.170
Brand Image 5	828	-.570	.085	-.191	.170
Brand Image 6	828	-.366	.085	-.543	.170
Satisfaction 1	828	-1.135	.085	.666	.170
Satisfaction 2	828	-.639	.085	-.022	.170
Satisfaction 3	828	-.412	.085	-.416	.170
Satisfaction 4	828	-.693	.085	-.205	.170
Satisfaction 5	828	-.170	.085	-.399	.170
Satisfaction 6	828	-.535	.085	-.211	.170
Choice Overload 1	828	-.176	.085	-.401	.170
Choice Overload 2	828	-.248	.085	-.343	.170
Choice Overload 3	828	-.933	.085	.235	.170
Choice Overload 4	828	-.813	.085	.244	.170
Choice Overload 5	828	-.255	.085	-.503	.170
Loyalty 1	828	-.548	.085	-.131	.170
Loyalty 2	828	-.537	.085	-.059	.170
Loyalty 3	828	-.465	.085	-.385	.170
Loyalty 4	828	-.302	.085	-.515	.170
Loyalty 5	828	-.456	.085	-.198	.170
Loyalty 6	828	-.383	.085	-.369	.170
Valid N (List Wise)	828				

Source: Primary Data.

If P value is higher than 0.05,it may be implicit that the data have a Normal distribution and if P value is less than 0.05, then the distribution of the observations in the sample is treated as not Normal. Here, analysis for univariate normality done using Kolmogorov-Smirnov test (Table 6.1) with Lilliefors significance correction revealed that none of the variables are normally distributed as all the P values are higher than 0.05. Hence it is concluded that Non – Normality exists for the data and therefore tested the deviation of Normality to confirm whether deviation is problematic or not by using Skewness and Kurtosis.

To assess normality, skewness and kurtosis are commonly used by the statisticians. Skewness refers to the symmetry of a distribution whereas kurtosis relates to the peakedness of a distribution. A distribution is said to be normal when the values of skewness and kurtosis are equal to zero (Tabachnick and Fidell;2001). However skewness was between -0.9 to 0.1 range showing most of the data negatively skewed. Non-normality of the data was anticipated as most of the respondents preferred to agree or strongly agree to the survey dimensions indicating bulk of the values (including the median) lie to the right of the mean. Although, there are few clear guidelines about how much non-normality is problematic. It is suggested that absolute values of univariate skewness indices greater than 3.0 seem to describe extremely skewed data sets (Chou and Bentler, 1995). Regarding kurtosis, there appears that kurtosis index greater than 10.0 may suggest a problem. In this study**,** none of the values are above this limit and hence univariate normality can be generally assumed for the data collected from Khadi/Handloom customers in Kerala.

v) Analysis of Multicollinearity

Multicollinearity refers to a situation in which two or more explanatory variables in a model are highly linearly related. There is perfect multicollinearity if, the correlation between two independent variables will be equal to 1 or -1. In reality, it is rarely face perfect multi-collinearity in a data set. The Variance Inflation Factor **(VIF)** quantifies the severity of multi-collinearity of the observations.VIF is a measure of the degree of collinearity (or multicollinearity) among variables, including both indicators and latent variables. VIF measures how much multicollinearity (correlation between predictors) exists in a regression analysis. Multicollinearity is problematic because it can increase the variance of the regression coefficients, making them unstable and difficult to interpret. The guidelines applied in this regard were as follows:

VIF		**Status of Predictors**
VIF = 1	-	Not correlated
1 < VIF < 5	-	Moderately correlated
VIF > 5 to 10	-	Highly correlated

Ideally VIF should be less than 3.3 (Diamantopoulos and Siguaw, 2006) and VIF < 10 is admissible i.e., it explains the absence of Collinearity (Hair et al, 1998).

As rule of thumb, we should have all of the indicator's VIF values were less than 5 and their tolerance values should be higher than 0.2. In this study, as per Table 6.3, all VIF values of indicators and latent variables were less than 3.3 and hence validity at multivariate level was established. Therefore it can be considered that there is lack of multi-collinearity regarding data collected from Khadi/Handloom customers in Kerala.

Table-6.3: Multi-collinearity (Khadi/Handloom Customers)

Criteria	**PdtAttr**	**PlcChar**	**PrcAff**	**PromEff**	**BrndIm**	**Satisf**	**Loyalt**	**Choiceov**	**Limit**
Full collinearity VIFs	2.985	2.323	2.687	2.589	1.680	2.868	2.256	1.945	**<3.3**

Source: Primary Data.

vi) Analysis of Randomness

Randomness tests analyzes whether the sample consistently reflects the population it intends to measures. That means the samples are the true representative of the population. Randomness of the data in this study has been examined using RUNS Test. The runs test (Bradley, 1968) can beused to decide if a data set is froma random process. A run is defined as a series of increasing values or a series of decreasing values i.e., a series of positive or negative values. In order to confirm the randomness of the data P value should be greater than 0.05. Since P values in general as exhibited in Table 6.4 are above 0.05, randomness of data can be assumed in this study. Hence it can be established that the samples selected for this study are the true representative of the population.

Table-6.4: Summary of RUNS TEST (Khadi/Handloom Customers)

Sl.No.	Items	Asymp. Sig. (2 – tailed)
1.	Product Attributes 1	.935
2.	Product Attributes 2	.197
3.	Product Attributes 3	.894
4.	Product Attributes 4	.001
5.	Product Attributes 5	.039
6.	Product Attributes 6	.589
7.	Place Characteristics 1	.462
8.	Place Characteristics 2	.038
9.	Place Characteristics 3	.738
10.	Place Characteristics 4	.644
11.	Place Characteristics 5	.300
12.	Place Characteristics 6	.005
13.	Price Affordability 1	.714
14.	Price Affordability 2	.003
15.	Price Affordability 3	.137
16.	Price Affordability 4	.003
17.	Price Affordability 5	.017
18.	Price Affordability 6	.874
19.	Promotional Effectiveness 1	.215
20.	Promotional Effectiveness 2	.606
21.	Promotional Effectiveness 3	.261
22.	Promotional Effectiveness 4	.018
23.	Promotional Effectiveness 5	.215
24.	Promotional Effectiveness 6	.688
25.	Brand Image 1	.097
26.	Brand Image 2	.028
27.	Brand Image 3	.081
28.	Brand Image 4	.003
29.	Brand Image 5	.144
30.	Brand Image 6	.997
31.	Satisfaction 1	.861
32.	Satisfaction 2	.052
33.	Satisfaction 3	.746
34.	Satisfaction 4	.865
35.	Satisfaction 5	.286
36.	Satisfaction 6	.397
37.	Choice Overload 1	.841
38.	Choice Overload 2	.119
39.	Choice Overload 3	.074
40.	Choice Overload 4	.069
41.	Choice Overload 5	.406
42.	Loyalty 1	.316
43.	Loyalty 2	.875
44.	Loyalty 3	.024
45.	Loyalty 4	.439
46.	Loyalty 5	.009
47.	Loyalty 6	.774

a. Median

Source: Primary Data.

vii) Analysis of Data Independence

Analysis of data independence was done in research to confirm the independence of observations under study. Durbin – Watson statistics has been used to confirm the independence of the observations in this study. Durbin – Watson statistics should be in between 1.5 to 2.5 in order to confirm the independence of observations.In this study, Table 6.5 showsthe value of Durbin-Watson statistics is 2.073, indicating no significant serial correlation. Hence independence of observations was confirmed.

Table-6.5:Data Independence Model Summary(Khadi/Handloom Customers)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.653[a]	.427	.393	.640	2.073

Source: Primary Data.

6.2 Part – I (B) Analysis of Validity and Reliability of Developed Scale

The present study has been used a Five Point Scale to measure the influence of marketing practices on customer satisfaction and loyalty in Handloom and Khadi textile industries in Kerala. The validity and reliability of the developed scale has been tested using the following analysis.

6.2.B1 Analysis of Validity

In undertaking a statistical analysis, unidimensionality should be always assessed first, prior to examining reliability and validity (Hair et al., 1995). This step reduces the possibility if misspecifications (Gerbing and Anderson, 1988), because the analysis of reliability and validity is based on the assumption of unidimensionality (Nunnally and Bernstein, 1994).

Validity determines whether the scale truly measures what it was intended to measure (Rejikumar, 2013). Validity is the strength of study conclusions, inferences or propositions. It involves the degree to which the researcher is measuring what are supposed to, more simply, the accuracy of research measurement. Discriminant and convergent validity has been confirmed in this study.

Average Variance Extracted (AVE) provided for all latent variables were used in the assessment of discriminant validity of measurement instrument (Ned Kock, 2011). The discriminant validity is the extent to which a construct is truly distinct and unique, and this measure captures phenomena that other measures do not (Hair et al., 2010). On the diagonal of the latent variable correlations table were the square roots of the average variances extracted for each latent variable. These results were used for the assessment of the measurement instrument's discriminant validity. A measurement instrument has good discriminant validity if the question-statements associated with each latent variable were not confused by the respondents to the questionnaire with the question-statements associated with other latent variables, particularly in terms of the meaning of the question-statements (Ned Kock, 2011).

Table-6.6: Square Roots of Average Variances Extracted (AVEs) Shown on Diagonal

Variables	PdtAttr	PlcChar	PrcAffo	PromEff	BrndImg	Satisfa	Loyalty	Choiceo
PdtAttr	0.723	0.680	0.723	0.631	0.522	0.722	0.571	0.536
PlcChar	0.680	0.716	0.647	0.567	0.524	0.662	0.517	0.503
PrcAffo	0.723	0.647	0.709	0.603	0.462	0.696	0.543	0.568
PromEff	0.631	0.567	0.603	0.745	0.482	0.612	0.686	0.636
BrndImg	0.522	0.524	0.462	0.482	0.740	0.548	0.534	0.441
Satisfa	0.722	0.662	0.696	0.612	0.548	0.706	0.575	0.528
Loyalty	0.571	0.517	0.543	0.686	0.534	0.575	0.765	0.576
Choiceo	0.536	0.503	0.568	0.636	0.441	0.528	0.576	0.700

All correlations among latent variables significant at $p<0.001$

Source: Primary Data.

For discriminant validity assessment of each latent variable, the square root of the average variance extracted should be higher than any of the correlations involving that latent variable (Fornell & Larcker, 1981). That is, the values on the diagonal should be higher than any of the values above or below them, in the same

column. In this study, Table 6.6 shows that the diagonal values were higher than any of the values above or below them, in the same column, and hence the discriminant validity of the measurement instrument was established.

Table-6.7: Summary of Loadings and Cross Loadings

Items	PdtAttr	PlcChar	PrcAffo	PromEff	BrndImg	Satisfa	Loyalty	Choiceo	Type	SE	P value
Pdt1	0.695								Reflect	0.025	<0.001
Pdt2	0.756								Reflect	0.028	<0.001
Pdt3	0.759								Reflect	0.028	<0.001
Pdt4	0.735								Reflect	0.032	<0.001
Pdt5	0.730								Reflect	0.029	<0.001
Pdt6	0.659								Reflect	0.029	<0.001
Place1		0.688							Reflect	0.028	<0.001
Place2		0.741							Reflect	0.027	<0.001
Place3		0.736							Reflect	0.027	<0.001
Place4		0.707							Reflect	0.028	<0.001
Place5		0.716							Reflect	0.028	<0.001
Place6		0.707							Reflect	0.027	<0.001
Price1			0.719						Reflect	0.032	<0.001
Price2			0.725						Reflect	0.029	<0.001
Price3			0.702						Reflect	0.031	<0.001
Price4			0.690						Reflect	0.033	<0.001
Price5			0.729						Reflect	0.031	<0.001
Price6			0.686						Reflect	0.032	<0.001
Prom1				0.735					Reflect	0.032	<0.001
Prom2				0.741					Reflect	0.029	<0.001
Prom3				0.748					Reflect	0.027	<0.001
Prom4				0.743					Reflect	0.026	<0.001
Prom5				0.752					Reflect	0.026	<0.001
Prom6				0.752					Reflect	0.028	<0.001
BI1					0.721				Reflect	0.031	<0.001
BI2					0.800				Reflect	0.026	<0.001
BI3					0.682				Reflect	0.028	<0.001
BI4					0.782				Reflect	0.025	<0.001
BI5					0.725				Reflect	0.029	<0.001
BI6					0.723				Reflect	0.029	<0.001
Sat1						0.658			Reflect	0.033	<0.001
Sat2						0.725			Reflect	0.028	<0.001
Sat3						0.720			Reflect	0.029	<0.001
Sat4						0.712			Reflect	0.031	<0.001
Sat5						0.718			Reflect	0.028	<0.001
Sat6						0.701			Reflect	0.027	<0.001
loy1							0.736		Reflect	0.029	<0.001
loy2							0.742		Reflect	0.027	<0.001
loy3							0.738		Reflect	0.025	<0.001
loy4							0.808		Reflect	0.026	<0.001
loy5							0.811		Reflect	0.027	<0.001
Loy6							0.750		Reflect	0.030	<0.001
ChOv1								0.716	Reflect	0.029	<0.001
ChOv 2								0.791	Reflect	0.028	<0.001
ChOv 3								0.551	Reflect	0.034	<0.001
ChOv 4								0.641	Reflect	0.030	<0.001
ChOv 5								0.774	Reflect	0.026	<0.001

Source: Primary Data.

For research reports table of loadings and cross-loadings were usually used for describing the convergent validity of the measurement instrument. The convergent validity was used to determine whether scale items converged on a single construct during measurement (Steenkamp & Van Trijp, 1991). A measurement instrument has good convergent validity if the question-statements associated with each latent variable were understood by the respondents in the same way as they were intended by the designer of the question-statements. In this respect, two criteria for concluding that a measurement model has convergent validity were theP values associated with the loadings should be lower than .05 and the loadings should be equal to or greater than 0.5 (Hair et al., 1987). In this study, (Table 6.4) the loadings were found more than 0.5 with corresponding p values less than 0.05 i.e., P values associated with the loadings of the indicators were lower than 0.05; and that the indicator loadings were equal to or greater than 0.5; cross loadings were less than 0.5. Hence indicator significance and convergent validity were confirmed.

Table-6.8: Average Variance Extracted (AVE)

Criteria	PdtAttr	PlcChar	PrcAff	PromEff	BrndIm	Satisf	Loyalt	Choiceov	Limit
Average Variances Extracted	0.523	0.513	0.502	0.555	0.548	0.499	0.585	0.490	>**0.5**

Source: Primary Data.

Average Variance Extracted can also use to check convergent validity. For this, each latent variable's AVE was evaluated. If all of the AVE values were greater than the acceptable threshold of 0.5 then convergent validity is confirmed. Table 6.8 reveals that in this study convergent validity was established as the AVE values were found to be higher than 0.5.

6.2.B2 Analysis of Reliability

Testing the reliability of survey data is the pre-requisite for data analysis and inference. Reliability analysis tests whether a scale consistently reflects the subset it measures (Churchill. 1979; Nunnally and Bernstein, 1994). By consistency it is firstly meant that a respondent should score questionnaire/schedule the same way at different times. Secondly, two respondents with the same perception towards satisfaction should identically score the survey. Composite reliability and Cronbach alpha coefficients are measures of reliability. Both the composite reliability and the Cronbach alpha coefficients should be equal to or greater than .7 (Fornell & Larcker, 1981; Nunnally, 1978; Nunnally & Bernstein, 1994).

Table-6.9: Composite Reliability

Criteria	PdtAttr	PlcChar	PrcAff	PromEff	BrndIm	Satisf	Loyalt	Choiceov	Limit
Composite reliability coefficients	0.868	0.863	0.858	0.882	0.879	0.856	0.894	0.825	>**0.7**

Source: Primary Data.

Table 6.9 depicts that composite reliability co-efficients for scale items to corresponding variables are above the threshold limit of 0.7. Hence composite reliability is confirmed.

According to Field (2005) values between 0.7 and 0.8 of Cronbach's alpha are acceptable values of consistency i.e., it shows the internal consistency reliability of all indicators. Cronbach's coefficient alpha was used to analyze the variables related to the scales of each item, according to the average correlation of each item with every other item. The lower limit for Cronbach's coefficient alpha values was 0.7 (Leech, Barrett & Morgan, 2005). In this study reverse scored items, which can lead to a negative Cronbach's alpha, were not included as it may lead to problems in reliability of the data if the respondents answer without proper understanding of the question. If the indicators are highly correlated and interchangeable, they are reflective and their reliability and validity should be thoroughly examined (Haenlein and Kaplan, 2004; Hair et al., 2013; Peter et al., 2007). In this study all of the indicators were reflective in nature. The reliability of reflective constructs was ascertained using the above criterion. To check indicator reliability all of the

individual indicator reliability values should be larger than the minimum acceptable level of 0.4 and close to the preferred level of 0.7. Table 6.7 shows that in this study reliability of the scales for latent variables were established as Cronbach's alpha values for scale items to corresponding variables were above threshold limit of 0.7.

Table-6.10: Summary of Test of Reliability (Khadi/Handloom Customers)

Sl. No.	Variable name	Cronbach's Alpha value	No. of Items
1	Product Attributes	0.816	6
2	Place Characteristics	0.809	6
3	Price Affordability	0.801	6
4	Promotional Effectiveness	0.840	6
5	Brand Image	0.834	6
6	Satisfaction	0.799	6
7	Choice Overload	0.735	5
8	Loyalty	0.857	6

Source: Primary Data.

Finally the scale was constructed and used in this study. The final schedule administered to the customers has been given in Appendix I.

6.3 Part – 2 Demographic Profile of the Respondents

In this part of the study the demographic profile of the respondents has been presented. For the purpose of the study the responses of Khadi/Handloom customers in Kerala has been worked out. The detailed analysis has been explained as follows:

6.3.1 Profile of Khadi/Handloom Customers

In this phase the descriptive analyses have been performed for Khadi/Handloom customers. The demographic variables for the study are Gender, Age, Area of Domicle, Work Experience, Nature of Work, Education Level, Income Level, Reason for Visit and Length of Usage of Khadi/Handloom customers from whom data were collected. Below given tables 6.11 to 6.19 exhibits the demographic profiles of Khadi/Handloom customers considered for the study.

6.3.1.1 Gender of the Respondents (Khadi/Handloom Customers)

Below exhibited Table 6.11 shows a valid sample size of 828 Khadi/Handloom customers consisting of 489 males and 339 females. This shows that 59.1 per cent of the respondents were males and 40.9 per cent were females. Hence it is obvious that more respondents are male.

Table-6.11: Gender of the Respondents (Khadi/Handloom Customers)

Gender	Frequency	Percent	Valid Percent
Male	489	59.1	59.1
Female	339	40.9	40.9
Total	828	100.0	100.0

Source: Primary Data.

6.3.1.2 Age of the Respondents (Khadi/Handloom Customers)

Age of the respondents was classified in to three categories namely, below 25, 25 to 40 and above 40. Table 6.12 shows a valid sample size of 828 respondents. Out of the total respondents 257 Khadi/Handloom Customers come under the age category below 25; 288 Khadi/Handloom Customers belongs to the category 25 to 40 and 283 Khadi/Handloom Customers belongs to the category above 40. This shows that 31.0 per cent of the respondents come under the age category below 25, 34.8 per cent of the respondents come under the age category 25 to 40 and the remaining 34.2 per cent of the respondents come under the age category above 40. Hence it is indicate that more respondents are belongs to the age category 25 to 40.

Table-6.12: Age of the Respondents (Khadi/Handloom Customers)

Age	Frequency	Percent	Valid Percent
Below 25	257	31.0	31.0

25 to 40	288	34.8	34.8
Above 40	283	34.2	34.2
Total	828	100.0	100.0

Source: Primary Data.

6.3.1.3 Area of Domicile of the Respondents (Khadi/Handloom Customers)

Area of Domicile of the respondents was classified into three categories namely, Panchayat, Municipality and Corporation. Below exhibitedTable 6.13 shows a valid sample size of 828 respondents. Among them 272 Khadi/Handloom customers belongs to Panchayat, 278 Khadi/Handloom customers belongs to Municipality and the other 278 Khadi/Handloom customers belongs to Corporation. This shows that about 32.9 per cent of the respondents belongs to Panchayat, 33.6 per cent belongs to Municipality and the remaining 33.6 per cent belongs to Corporation.

Table-6.13: Area of Domicile of the Respondents (Khadi/Handloom Customers)

	Area of Domicile	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Panchayat	272	32.9	32.9	32.9
	Municipality	278	33.6	33.6	66.4
	Corporation	278	33.6	33.6	100.0
	Total	828	100.0	100.0	

Source: Primary Data.

6.3.1.4 Work Experience of the Respondents (Khadi/Handloom Customers)

Work Experience of the respondents was classified into three categories namely, Less than 3 Years, 3 to 8 Years and Above 8 Years. Below exhibited Table 6.14 shows a valid sample size of 828 respondents. Among them 269 Khadi/Handloom customers have work experience less than 3 Years, 271 Khadi/Handloom customers have work experience 3 to8 Years and the other 288 Khadi/Handloom customers have work experience above 8 years. This shows that about 32.5 per cent of the respondents have work experience less than 3 Years, 32.7 per cent have work experience 3 to 8 Years and the remaining 34.8 per cent have work experience above 8 years.

Table 6.14: Work Experience of the Respondents (Khadi/Handloom Customers)

Work Experience		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 3yrs	269	32.5	32.5	32.5
	3 to 8 yrs	271	32.7	32.7	65.2
	Above 8 yrs	288	34.8	34.8	100.0
	Total	828	100.0	100.0	

Source: Primary Data.

6.3.1.5 Nature of Work of the Respondents (Khadi/Handloom Customers)

Nature of Work of the respondents was classified into three categories namely, Public, Private and Self Employed. Below exhibited Table 6.15 shows a valid sample size of 828 respondents. Among them 293 Khadi/Handloom customers work under Public Sector, 280 Khadi/Handloom customers work under Private Sector and 255 Khadi/Handloom customers were Self Employed. This shows that about 35.4 per cent of the respondents work under Public Sector, 33.8 per cent work under Private Sector and the remaining 30.8 per cent were Self Employed. Hence it indicates that majority of the respondents work under Public sector.

Table 6.15: Nature of Work of the Respondents (Khadi/HandloomCustomers)

Nature of Work		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Public	293	35.4	35.4	35.4
	Private	280	33.8	33.8	69.2
	Self Employed	255	30.8	30.8	100.0
	Total	828	100.0	100.0	

Source: Primary Data.

6.3.1.6 Educational Level of the Respondents(Khadi/Handloom Customers)

Educational Level of the respondents was classified into four categories namely, Matriculate, Graduate, Post Graduate and Professional. Below exhibited Table 6.16 shows that out of a valid sample size of 828 respondents, 193 Khadi/Handloom customers were Matriculate, 205 Khadi/Handloom customers were Graduate, 211 Khadi/Handloom customers were Post Graduate and 219 Khadi/Handloom customers were Professional. This shows that about 23.3 per cent of the respondents were Matriculate, 24.8 per cent were Graduate, 25.5 were Post Graduate and the remaining 26.4 per cent were Professional. Thus it seems that major part of the respondents are Professionals.

Table-6.16: Educational Level of the Respondents (Khadi/Handloom Customers)

Educational Level		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Matriculate	193	23.3	23.3	23.3
	Graduate	205	24.8	24.8	48.1
	Post Graduate	211	25.5	25.5	73.6
	Professional	219	26.4	26.4	100.0
	Total	828	100.0	100.0	

Source: Primary Data.

6.3.1.7 Income Level of the Respondents (Khadi/Handloom Customers)

Income Level of the respondents was classified into four categories namely, annual income below 1.5 Lakhs, between 1.5 Lakhs to 3 Lakhs, between 3 Lakhs to 5 Lakhs and above 5 Lakhs. Below exhibited Table 6.17 shows that out of a valid sample size of 828 respondents, 216 Khadi/Handloom customers were having annual income below 1.5 Lakhs, 200 Khadi/Handloom customers were having annual income between 1.5 Lakhs to 3 Lakhs, 225 Khadi/Handloom customers were having annual income between 3 Lakhs to 5 Lakhs and 187 Khadi/Handloom customers were having annual income above 5 Lakhs. This shows that about 26.1 per cent of the respondents were having annual income below 1.5 Lakhs, 24.2 per cent were having annual income between 1.5 Lakhs to 3 Lakhs, 27.2 per cent were having annual income between 3 Lakhs to 5 Lakhs and the remaining 22.6 per cent were having annual income above 5 Lakhs. Thus it seems that major part of the customers under study were having annual income between 3 Lakhs to 5 Lakhs.

Table 6.17: Income Level of the Respondents (Khadi/Handloom Customers)

Income Level		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1.5L	216	26.1	26.1	26.1
	1.5L to 3L	200	24.2	24.2	50.2
	3L to 5L	225	27.2	27.2	77.4
	Above 5L	187	22.6	22.6	100.0
	Total	828	100.0	100.0	

Source: Primary Data.

6.3.1.8 Reason for Visiting Showrooms by the Respondents (Khadi/Handloom Customers)

Reason for Visiting Khadi/Handloom textile showrooms by the respondents were classified into four categories namely, influence of Friends and Relatives, Advertisements, Exhibitions and Offers and Discounts. Below exhibited Table 6.18 shows that out of a valid sample size of 828 respondents, 201 Khadi/Handloom customers were visiting Khadi/Handloom textile showrooms due to the influence of Friends and Relatives, 205 Khadi/Handloom customers were due to Advertisements, 215 Khadi/Handloom customers were due to Offers and Discounts and 207 Khadi/Handloom customers were due to Exhibitions. This shows that about 24.3 per cent of the respondents were visiting Khadi/Handloom textile showrooms due to the influence of Friends and Relatives, 24.8 per cent were due to Advertisements,26.0 per cent were due to Offers and Discounts and the remaining 25.0 per cent were due to Exhibitions. Thus it seems that majority of the customers under study were visiting Khadi/Handloom textile showrooms due to Discounts/Offers and Exhibitions.

Table-6.18: Reason for Visit of the Respondents (Khadi/Handloom Customers)

Reason for Visit		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Friends& Relatives	201	24.3	24.3	24.3
	Advertisements	205	24.8	24.8	49.0

	Offers & Discounts	215	26.0	26.0	75.0
	Exhibitions	207	25.0	25.0	100.0
	Total	828	100.0	100.0	

Source: Primary Data.

6.3.1.9 Length of Usage of Khadi/Handloom by the Respondents (Khadi/Handloom Customers)

Length of Usage of Khadi/Handloom textiles by the respondents were classified into three categories namely, Less than 4 Years, 4 to 5 Years and Above 5 Years. Below exhibited Table 6.19 shows that out of a valid sample size of 828 respondents, 288 Khadi/Handloom customers' Length of Usage of Khadi/Handloom textiles were Less than 4 Years, 283 Khadi/Handloom customers' Length of Usage were 4 to 5 Years and 257 Khadi/Handloom customers' Length of Usage were Above 5 Years. This shows that about 34.8 per cent of the respondents Length of Usage of Khadi/Handloom textiles were Less than 4 Years, 34.2 per cent were 4 to 5 Years and the remaining 31.0 per cent were Above 5 Years. Thus it seems that majority of the customers under study were having Length of Usage of Khadi/Handloom textiles Less than 4 Years. Hence it can be concluded that Khadi/Handloom Industries in Kerala have failed to retain majority of the customers successfully.

Table-6.19: Length of Usage of Khadi/Handloom the Respondents (Khadi/Handloom Customers)

Length of Usage	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 4 Yrs	288	34.8	34.8	31.0
4 to 5 Yrs	283	34.2	34.2	65.8
Above 5 Yrs	257	31.0	31.0	100.0
Total	828	100.0	100.0	

Source: Primary Data.

6.4 Part – 3 Relationship of Demographic Variables with MarketingPractices and Customer Satisfaction and Loyalty and its Moderating Effect Choice Overload

In this part of the study the relationship between demographic variables with Customer Satisfaction and Loyalty and its moderating effect Choice Overload has been analyzed. That means the degree of influence of marketing practices or causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload has been analyzed on the basis of demographic profile of the Khadi/Handloom Customers. For performing the above analyses the demographic profiles such as gender, area of domicile, age, education level, work experience, income level, nature of work, reason of visit and length of usage of Khadi/Handloom Customers has been considered.

In order to analyze the impact of different demographic variables on Customer Satisfaction and Loyalty and its moderating effect Choice Overload Group comparisons were performed. t - Test has been performed for gender of the Khadi/Handloom Customers. MANOVA has been performed for area of domicile, age, education level, work experience, income level, nature of work and reason of visit of Khadi/Handloom Customers. ONE – WAY ANOVA has been performed for length of usage of Khadi/Handloom Customers.

6.4.1 Impact of Marketing Practices on Customer Satisfaction and Loyalty and its Moderating Effect Choice Overload

There are different marketing practices or causal variables which bring customer to a particular textile showroom and in turn start developing satisfaction and loyalty in their mind after undergoing a pleasant shopping experience with them. Sometimes the customer satisfaction and loyalty may be influenced by many substitutes termed as choice overload. For the purpose of the study the marketing practices which have been considered as causal variables which determine the Customer Satisfaction and Loyalty are:

1) Product Attributes
2) Place Characteristics
3) Price Affordability
4) Promotional Effectiveness and
5) Brand Image.

Product attributes in this study means the feeling or perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various product related attributes or aspects of Khadi/Handloom textiles in Kerala. Place characteristics is the perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various place/distribution related aspects of Khadi/Handloom textile showrooms in Kerala. Price affordability is the feeling or perception in the mind of a Khadi/Handloom customer in Kerala towards the acceptability of various price related aspects of Khadi/Handloom textiles in Kerala. Promotional effectiveness is the feeling or perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various promotion related activities of Khadi/Handloom industries in Kerala. Brand image is the feeling or perception in the mind of a Khadi/Handloom customer in Kerala towards the acceptability of various image related aspects of Khadi/Handloom brand textiles in Kerala.

The proposed research framework in this study examines the impact of marketing practices or causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload has also been analyzed. In order to analyze the impact of causal variables the observations of customers have been analyzed on the basis of different demographic variables. The appropriate demographic profiles such as gender, area of domicile, age, education level, work experience, income level, nature of work, reason of visit and length of usage of Khadi/Handloom Customers has been considered for the analysis. t - Test has been performed for gender of the Khadi/Handloom Customers. MANOVA has been performed for area of domicile, age, education level, work experience, income level, nature of work and reason of visit of Khadi/Handloom Customers. ONE – WAY ANOVA has been performed for length of usage of Khadi/Handloom Customers.

6.4.1.1 Gender – wise Perception on Marketing Practices and CustomerSatisfaction and Loyalty and its Moderating Effect Choice Overload

Here the Gender – wise perception regarding the impact of marketing practices i.e., the causal variables on customer satisfaction and loyalty and its moderating effect choice overload has been carried out. In order to analyze the gender-wise perception of the respondents t- test has been carried out. Perception of the respondents regarding the impact of marketing practices such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload on the basis of gender of the customers of Khadi/Handloom Industries in Kerala has been summarized in the Table 6.20 given below.

Table 6.20: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Product Attributes	Equal variances assumed	0.001	0.974	1.209	826	0.227	0.05443	0.04501
	Equal variances not assumed			1.21	729.068	0.227	0.05443	0.04498
Place Charecteristics	Equal variances assumed	0.037	0.848	0.183	826	0.855	0.00807	0.04407
	Equal variances not assumed			0.183	727.168	0.855	0.00807	0.04407
Price Affordability	Equal variances assumed	0.042	0.838	0.92	826	0.358	0.0419	0.04554
	Equal variances not assumed			0.914	708.996	0.361	0.0419	0.04586
Promotion Effectiveness	Equal variances assumed	3.705	0.055	0.5	826	0.617	0.02264	0.04526
	Equal variances not assumed			0.509	768.267	0.611	0.02264	0.04449
Brand Image	Equal variances assumed	0.099	0.753	0.161	826	0.872	0.0075	0.04657
	Equal variances not assumed			0.16	717.191	0.873	0.0075	0.04675
Satisfaction	Equal variances assumed	0.547	0.46	-0.049	826	0.961	-0.00217	0.04425
	Equal variances not assumed			-0.049	743.433	0.961	-0.00217	0.04396
Choice Overload	Equal variances assumed	0.134	0.714	0.073	826	0.941	0.00331	0.04502
	Equal variances not assumed			0.074	728.268	0.941	0.00331	0.045
Loyalty	Equal variances assumed	0.026	0.873	-0.74	826	0.46	-0.03771	0.05096
	Equal variances not assumed			-0.742	733.414	0.458	-0.03771	0.05083

Source: Primary Data

Testing of Hypothesis H8

Levene's test of homogeneity was performed to check whether the assumption of homogeneity is satisfied. The result gave a P value as 0.974 for Product Attributes, 0.848 for Place Characteristics, 0.838 for Price Affordability, 0.055 for Promotional Effectiveness, 0.753 for Brand Image, 0.46 for Satisfaction, 0.714 for Choice Overload and 0.873 for Loyalty. That means all the P values are greater than 0.05, concluding the population variances of both groups are approximately equal. So that the perception regarding the impact of Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload are equal for both males and females. The P value (at 10% significance) in the above shown independent sample test table suggests that there is no significant

difference in perceptions of respondents based on gender with respect to the attributes i.e., the marketing practices considered. Hence it is concluded that both male and female customers of Khadi/Handloom Industries in Kerala is having similar perception regarding the impact of marketing practices on Customer Satisfaction and Loyalty and its moderating effect Choice Overload.

The hypothesis H8 that "**There is significant difference in perceptions among respondents towards variables on the basis of Gender**." stands not accepted.

6.4.1.2 Area of Domicile – wise Perception on Marketing Practices and CustomerSatisfaction and Loyalty and its Moderating Effect Choice Overload

Here the Area of Domicile – wise perception regarding the impact of marketing practices i.e., the causal variables on customer satisfaction and loyalty and its moderating effect choice overload has been carried out. In order to analyze the perception of the respondents MANOVA has been carried out. Perception of the respondents regarding the impact of causalvariables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload on the basis of area of domicile of the customers of Khadi/Handloom Industries in Kerala has been summarized in the Table 6.21 given below.

Table-6.21: Area of Domicile Vs Perception towards Variables

Tests of Between-Subjects Effects									
Source		**Type III Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**	**Partial Eta Squared**	**Noncent. Parameter**	**Observed Power[i]**
Area of Domicile	Product Attributes	0.111	2	0.055	0.136	0.873	0	0.273	0.132
	Place Characteristics	0.13	2	0.065	0.167	0.846	0	0.334	0.139
	Price Affordability	0.048	2	0.024	0.057	0.944	0	0.115	0.113
	Promotion Effectiveness	0.165	2	0.083	0.201	0.818	0	0.403	0.147
	Brand Image	0.045	2	0.023	0.052	0.95	0	0.104	0.112
	Satisfaction	0.637	2	0.318	0.813	0.444	0.002	1.626	0.291
	Choice Overload	0.571	2	0.285	0.704	0.495	0.002	1.407	0.265
	Loyalty	0.484	2	0.242	0.465	0.628	0.001	0.93	0.209

Source: Primary Data

Testing of Hypothesis H9

Levene's test of homogeneity was performed to check whether the assumption of homogeneity is satisfied. The result gave a P value as 0.873 for Product Attributes, 0.846 for Place Characteristics, 0.944 for Price Affordability, 0.818 for Promotional Effectiveness, 0.95 for Brand Image, 0.444 for Satisfaction, 0.495 for Choice Overload and 0.628 for Loyalty. That means all the P values are greater than 0.05, concluding the population variances of all the three groups are approximately equal irrespective of their area of domicile. So that the perception regarding the impact of Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload are equal for customers residing at Panchayat, Municipality and Corporation. The P value (at 10% significance) in the above shown MANOVA table suggests that there is no significant difference in perceptions of respondents based on area of domicile with respect to the causal variables i.e., the marketing practices considered. Hence it is concluded that the customers of Khadi/Handloom Industries in Kerala belongs to Panchayat, Municipality and Corporation is having similar perception regarding the impact of marketing practices on Customer Satisfaction and Loyalty and its moderating effect Choice Overload.

The hypothesis H9 that "**There is significant difference in perceptions among respondents towards variables on the basis of their Area of Domicile**." stands not accepted.

6.4.1.3 Age– wise Perception on Marketing Practices and CustomerSatisfaction and Loyalty and its Moderating Effect Choice Overload.

Here the Age– wise perception regarding the impact of marketing practices i.e., the causal variables on customer satisfaction and loyalty and its moderating effect choice overload has been carried out. In order to analyze the perception of the respondents MANOVA has been carried out. Perception of the respondents regarding the impact of causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload based on age of the customers of Khadi/Handloom Industries in Kerala has been summarized in the Table 6.22 given below.

Table-6.22: Age Vs Perception towards Variables

Tests of Between-Subjects Effects									
Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[i]
Age	Product Attributes	0.078	2	0.039	0.095	0.909	0	0.191	0.122
	Place Charecteristics	0.179	2	0.09	0.23	0.794	0.001	0.461	0.154
	Price Affordability	0.284	2	0.142	0.341	0.711	0.001	0.683	0.18
	Promotion Effectivenes	0.277	2	0.139	0.338	0.713	0.001	0.676	0.179
	Brand Image	0.059	2	0.029	0.068	0.935	0	0.135	0.116
	Satisfaction	0.709	2	0.354	0.905	0.405	0.002	1.81	0.312
	Choice Overload	0.197	2	0.098	0.242	0.785	0.001	0.485	0.156
	Loyalty	0.522	2	0.261	0.502	0.606	0.001	1.003	0.218

Source: Primary Data

Testing of Hypothesis H10

Levene's test of homogeneity was performed to check whether the assumption of homogeneity is satisfied. The result gave a P value as 0.909 for Product Attributes, 0.794for Place Characteristics, 0.711 for Price Affordability, 0.713 for Promotional Effectiveness, 0.935 for Brand Image, 0.405 for Satisfaction, 0.785 for Choice Overload and 0.606 for Loyalty. That means all the P values are greater than 0.05, concluding the population variances of all age groups are approximately equal. So that the perception regarding the impact of causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload are equal irrespective of the age group. TheP value (at 10% significance) in the above shown MANOVA table suggests that there is no significant difference in perceptions of respondents based on age group with respect to the causal variables i.e., the marketing practices considered. Hence it is concluded that the customers of Khadi/Handloom Industries in Kerala belongs to all age groups are having similar perception regarding the impact of marketing practices on Customer Satisfaction and Loyalty and its moderating effect Choice Overload.

The hypothesis H10 that "**There is significant difference in perceptions among respondents towards variables on the basis of their Age**." stands not accepted.

6.4.1.4 Education Level – wise Perception on Marketing Practices andCustomer Satisfaction and Loyalty and its Moderating Effect Choice Overload

Here the Education Level – wise perception regarding the impact of marketing practices i.e., the causal variables on customer satisfaction and loyalty and its moderating effect choice overload has been carried out. In order to analyze the perception of the respondents MANOVA has been carried out. Perception of the respondents regarding the impact of causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload based oneducation levelof the customers of Khadi/Handloom Industries in Kerala has been summarized in the Table 6.23 given below.

Table-6.23: Educational Level Vs Perception towards Variables

Tests of Between-Subjects Effects									
Source		**Type III Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**	**Partial Eta Squared**	**Noncent. Parameter**	**Observed Power[i]**
Education Level	Product Attributes	1.519	3	0.506	1.249	0.291	0.005	3.746	0.461
	Place Charecteristics	1.306	3	0.435	1.121	0.34	0.004	3.364	0.426
	Price Affordability	0.867	3	0.289	0.695	0.555	0.003	2.085	0.303
	Promotion Effectivenes	0.646	3	0.215	0.525	0.665	0.002	1.575	0.252
	Brand Image	3.237	3	1.079	2.502	0.058	0.009	7.505	0.734
	Satisfaction	2.286	3	0.762	1.953	0.12	0.007	5.86	0.631
	Choice Overload	0.92	3	0.307	0.756	0.519	0.003	2.267	0.321
	Loyalty	3.694	3	1.231	2.382	0.068	0.009	7.145	0.714

Source: Primary Data

Table-6.24: Multiple Comparisons

Tukey HSD							
Dependent Variable			**Mean Difference (I-J)**	**Std. Error**	**Sig.**	**90% Confidence Interval**	
						Lower Bound	**Upper Bound**
Brand Image	Matriculate	Graduation	0.0648	0.06587	0.759	-0.0864	0.216
		Post Graduation	0.0518	0.06542	0.859	-0.0984	0.2019
		Professional	.1710*	0.06484	0.042	0.0221	0.3198
	Graduation	Matriculate	-0.0648	0.06587	0.759	-0.216	0.0864
		Post Graduation	-0.013	0.06441	0.997	-0.1608	0.1348
		Professional	0.1062	0.06383	0.344	-0.0403	0.2527
	Post Graduation	Matriculate	-0.0518	0.06542	0.859	-0.2019	0.0984
		Graduation	0.013	0.06441	0.997	-0.1348	0.1608
		Professional	0.1192	0.06336	0.237	-0.0262	0.2646
	Professional	Matriculate	-.1710*	0.06484	0.042	-0.3198	-0.0221
		Graduation	-0.1062	0.06383	0.344	-0.2527	0.0403
		Post Graduation	-0.1192	0.06336	0.237	-0.2646	0.0262
Loyalty	Matriculate	Graduation	0.0989	0.07212	0.518	-0.0666	0.2644
		Post Graduation	0.1501	0.07162	0.155	-0.0143	0.3144
		Professional	.1774*	0.07099	0.061	0.0145	0.3403
	Graduation	Matriculate	-0.0989	0.07212	0.518	-0.2644	0.0666
		Post Graduation	0.0512	0.07052	0.887	-0.1107	0.213
		Professional	0.0785	0.06988	0.675	-0.0819	0.2389
	Post Graduation	Matriculate	-0.1501	0.07162	0.155	-0.3144	0.0143
		Graduation	-0.0512	0.07052	0.887	-0.213	0.1107
		Professional	0.0273	0.06936	0.979	-0.1319	0.1865
	Professional	Matriculate	-.1774*	0.07099	0.061	-0.3403	-0.0145
		Graduation	-0.0785	0.06988	0.675	-0.2389	0.0819
		Post Graduation	-0.0273	0.06936	0.979	-0.1865	0.1319

Based on observed means.

The error term is Mean Square(Error) = .517.

*. The mean difference is significant at the .1 level.

Table-6.25: Brand Image

Tukey HSD			
Education Level	**N**	**Subset**	
		1	**2**
Professional	219	3.8524	
Graduation	205	3.9585	3.9585
Post Graduation	211	3.9716	3.9716
Matriculate	193		4.0233
Sig.		0.253	0.748

Means for groups in homogeneous subsets are displayed.

Based on observed means.

The error term is Mean Square(Error) = .431.

b. Alpha = .1.

Table-6.26: Loyalty

Tukey HSD			
Education Level	**N**	**Subset**	
		1	**2**
Professional	219	3.7207	
Post Graduation	211	3.748	3.748
Graduation	205	3.7992	3.7992
Matriculate	193		3.8981
Sig.		0.684	0.147

Means for groups in homogeneous subsets are displayed.

Based on observed means.

The error term is Mean Square(Error) = .517.

b. Alpha = .1.

Testing of Hypothesis H11

Levene's test of homogeneity was performed to check whether the assumption of homogeneity is satisfied. The result gave a P value as 0.291 for Product Attributes, 0.34 for Place Characteristics, 0.555 for Price Affordability, 0.665 for Promotional Effectiveness, 0.058 for Brand Image, 0.12 for Satisfaction, 0.519 for Choice Overload and 0.068 for Loyalty. That means all the P values are greater than 0.05 except Brand Image and Loyalty, concluding the population variances of all other groups are approximately equal. The P value (at 10% significance) in the above shown MANOVA table suggests that except Brand Image and Loyalty, there is no significant difference in perceptions of respondents based on educational level with respect to the attributes considered. So Tukey HSD test was performed for Brand Image and Loyalty.

In the case of Brand Image, it can be clearly seen that Professionals and Matriculate have a difference in perception and Professionals have a mean value lower than the mean of Matriculate and hence the difference in perception is stronger for the Matriculate regarding the impact of brand image.

In the case of Loyalty, it can be clearly seen that again Professionals and Matriculate have a difference in perception and Professionals have a mean value lower than the mean of Matriculate and hence the difference in perception is stronger for the Matriculate regarding loyalty.

Hence it is concluded that the customers of Khadi/Handloom Industries in Kerala belongs to Education Level Matriculate are having difference in perception stronger than Professionals regarding the impact of marketing practice Brand Image on Loyalty.

The hypothesis H11 that "**There is significant difference in perceptions among respondents towards variables on the basis of their Education Level**." stands accepted.

6.4.1.5 Work Experience – wise Perception on Marketing Practices and Customer Satisfaction and Loyalty and its Moderating Effect Choice Overload.

Here the Work Experience – wise perception regarding the impact of marketing practices i.e., the causal variables on customer satisfaction and loyalty and its moderating effect choice overload has been carried out. Here MANOVA has been carried out to analyze the perception of the respondents. Perception of the respondents regarding the impact of causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload based on work experience of the customers of Khadi/Handloom Industries in Kerala has been summarized in the Table 6.27 given below.

Table 6.27: Work Experience Vs Perception towards Variables

Tests of Between-Subjects Effects									
Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[1]
Work Experience	Product Attributes	1.553	2	0.776	1.917	0.148	0.005	3.833	0.526
	Place Charecteristics	0.837	2	0.419	1.078	0.341	0.003	2.155	0.351
	Price Affordability	0.708	2	0.354	0.852	0.427	0.002	1.704	0.3
	Promotion Effectivenes	0.219	2	0.11	0.267	0.766	0.001	0.534	0.162
	Brand Image	0.01	2	0.005	0.011	0.989	0	0.022	0.103
	Satisfaction	0.852	2	0.426	1.088	0.337	0.003	2.176	0.354
	Choice Overload	2.108	2	1.054	2.61	0.074	0.006	5.22	0.644
	Loyalty	0.855	2	0.428	0.822	0.44	0.002	1.645	0.293

Source: Primary Data

Table-6.28: Multiple Comparisons

Tukey HSD							
Dependent Variable			Mean Difference (I-J)	Std. Error	Sig.	90% Confidence Interval	
						Lower Bound	Upper Bound
Choice Overload	Below 3 yrs	3 yrs to 8 yrs	-0.09	0.05469	0.227	-0.2024	0.0224
		Above 8 yrs	0.0284	0.05388	0.858	-0.0824	0.1391
	3 yrs to 8 yrs	Below 3 yrs	0.09	0.05469	0.227	-0.0224	0.2024
		Above 8 yrs	.1183*	0.05378	0.072	0.0078	0.2289
	Above 8 yrs	Below 3 yrs	-0.0284	0.05388	0.858	-0.1391	0.0824
		3 yrs to 8 yrs	-.1183*	0.05378	0.072	-0.2289	-0.0078

Based on observed means.

The error term is Mean Square(Error) = .520.

*. The mean difference is significant at the .1 level.

Table-6.29: Choice Overload

Tukey HSD			
Work Experience	N	Subset	
		1	2
Above 8 yrs	288	3.7806	
Below 3 yrs	269	3.8089	3.8089
3 yrs to 8 yrs	271		3.8989
Sig.		0.86	0.22

Means for groups in homogeneous subsets are displayed.

Based on observed means.

The error term is Mean Square(Error) = .404.

b. Alpha = .1.

Testing of Hypothesis H12

Levene's test of homogeneity was performed to check whether the assumption of homogeneity is satisfied. The result gave a P value of 0.148 for Product Attributes, 0.341 for Place Characteristics, 0.427 for Price Affordability, 0.766 for Promotional Effectiveness, 0.989 for Brand Image, 0.387 for Satisfaction, 0.074 for Choice Overload and 0.44 for Loyalty. That means all the P values are greater than 0.05 except Choice Overload, concluding the population variances of all other groups are approximately equal. The P value (at 10% significance) in the above shown MANOVA table suggests that except Choice Overload, there is no significant difference in perceptions of respondents based on work experience with respect to the attributes considered. So Tukey HSD test was performed for Choice Overload.

In the case of Choice Overload, it can be clearly seen that the respondents with more than 8 years of work experience have a difference in perception when compared with the respondents having work experience between 3 to 8 years. Work Experience with 3 to 8 years has a mean value higher than the mean of respondents having Work Experience more than 8 years.

Hence it is concluded that the customers of Khadi/Handloom Industries in Kerala with a work experience of 3 to 8 yearshave difference in perception stronger than with a Work Experience more than 8 years regarding the impact of the moderating effect Choice Overload.

The hypothesis H12 that "**There is significant difference in perceptions among respondents towards variables on the basis of their Work Experience**." stands accepted.

6.4.1.6 Income Level – wise Perception on Marketing Practices andCustomer Satisfaction and Loyalty and its Moderating Effect Choice Overload.

Here the Income Level – wise perception regarding the impact of marketing practices i.e., the causal variables on customer satisfaction and loyalty and its moderating effect choice overload has been carried out. In order to analyze the perception of the respondents MANOVA has been carried out. Perception of the respondents regarding the impact of causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload based on income level of the customers of Khadi/Handloom Industries in Kerala has been summarized in the Table 6.30 given below.

Table-6.30: Income Level Vs Perception towards Variables

Tests of Between-Subjects Effects									
Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[i]
Income Level	Product Attributes	3.925	3	1.308	3.249	0.021	0.012	9.748	0.837
	Place Charecteristics	1.507	3	0.502	1.295	0.275	0.005	3.884	0.473
	Price Affordability	0.828	3	0.276	0.664	0.574	0.002	1.992	0.293
	Promotion Effectivenes	2.586	3	0.862	2.112	0.097	0.008	6.335	0.664
	Brand Image	2.308	3	0.769	1.779	0.15	0.006	5.337	0.593
	Satisfaction	3.67	3	1.223	3.149	0.024	0.011	9.447	0.825
	Choice Overload	0.886	3	0.295	0.728	0.536	0.003	2.184	0.312
	Loyalty	2.802	3	0.934	1.803	0.145	0.007	5.408	0.598

Source: Primary Data

Table-6.31: Multiple Comparisons

Tukey HSD							
Dependent Variable			**Mean Difference (I-J)**	**Std. Error**	**Sig.**	**90% Confidence Interval**	
						Lower Bound	**Upper Bound**
Product Attributes	Below 1.5L	1.5L to 3L	0.0881	0.06227	0.49	-0.0548	0.231
		3L to 5L	.1502*	0.06044	0.063	0.0115	0.289
		Above 5L	.1792*	0.06338	0.025	0.0338	0.3247
	1.5L to 3L	Below 1.5L	-0.0881	0.06227	0.49	-0.231	0.0548
		3L to 5L	0.0621	0.06166	0.745	-0.0794	0.2036
		Above 5L	0.0911	0.06455	0.492	-0.057	0.2392
	3L to 5L	Below 1.5L	-.1502*	0.06044	0.063	-0.289	-0.0115
		1.5L to 3L	-0.0621	0.06166	0.745	-0.2036	0.0794
		Above 5L	0.029	0.06279	0.967	-0.1151	0.1731
	Above 5L	Below 1.5L	-.1792*	0.06338	0.025	-0.3247	-0.0338
		1.5L to 3L	-0.0911	0.06455	0.492	-0.2392	0.057
		3L to 5L	-0.029	0.06279	0.967	-0.1731	0.1151
Promotion Effectiveness	Below 1.5L	1.5L to 3L	0.0721	0.06269	0.659	-0.0718	0.216
		3L to 5L	.1530*	0.06086	0.058	0.0134	0.2927
		Above 5L	0.0772	0.06381	0.621	-0.0693	0.2236
	1.5L to 3L	Below 1.5L	-0.0721	0.06269	0.659	-0.216	0.0718
		3L to 5L	0.0809	0.06209	0.561	-0.0616	0.2234
		Above 5L	0.0051	0.06499	1	-0.1441	0.1542
	3L to 5L	Below 1.5L	-.1530*	0.06086	0.058	-0.2927	-0.0134
		1.5L to 3L	-0.0809	0.06209	0.561	-0.2234	0.0616
		Above 5L	-0.0759	0.06322	0.627	-0.221	0.0692
	Above 5L	Below 1.5L	-0.0772	0.06381	0.621	-0.2236	0.0693
		1.5L to 3L	-0.0051	0.06499	1	-0.1542	0.1441
		3L to 5L	0.0759	0.06322	0.627	-0.0692	0.221
Satisfaction	Below 1.5L	1.5L to 3L	0.0914	0.06116	0.441	-0.0489	0.2318
		3L to 5L	.1760*	0.05937	0.016	0.0397	0.3122
		Above 5L	0.1324	0.06225	0.145	-0.0104	0.2753
	1.5L to 3L	Below 1.5L	-0.0914	0.06116	0.441	-0.2318	0.0489
		3L to 5L	0.0845	0.06057	0.502	-0.0545	0.2235
		Above 5L	0.041	0.0634	0.917	-0.1045	0.1865
	3L to 5L	Below 1.5L	-.1760*	0.05937	0.016	-0.3122	-0.0397
		1.5L to 3L	-0.0845	0.06057	0.502	-0.2235	0.0545
		Above 5L	-0.0435	0.06167	0.895	-0.1851	0.098
	Above 5L	Below 1.5L	-0.1324	0.06225	0.145	-0.2753	0.0104
		1.5L to 3L	-0.041	0.0634	0.917	-0.1865	0.1045
		3L to 5L	0.0435	0.06167	0.895	-0.098	0.1851

Based on observed means.

The error term is Mean Square(Error) = .518.

*. The mean difference is significant at the .1 level.

Table-6.32: Product Attributes

Tukey HSD			
Income Level	**N**	**Subset**	
		1	**2**
Above 5L	187	3.8547	
3L to 5L	225	3.8837	
1.5L to 3L	200	3.9458	3.9458
Below 1.5L	216		4.034
Sig.		0.464	0.494

Means for groups in homogeneous subsets are displayed.

Based on observed means.

The error term is Mean Square(Error) = .403.

b. Alpha = .1.

Table-6.33: Promotion Effectiveness

Tukey HSD			
Income Level	**N**	**Subset**	
		1	**2**
3L to 5L	225	3.8207	
Above 5L	187	3.8966	3.8966
!.5L to 3L	200	3.9017	3.9017
Below 1.5L	216		3.9738
Sig.		0.572	0.611

Means for groups in homogeneous subsets are displayed.

Based on observed means.

The error term is Mean Square(Error) = .408.

b. Alpha = .1.

Table-6.34: Satisfaction

Tukey HSD			
Income Level	**N**	**Subset**	
		1	**2**
3L to 5L	225	3.8896	
Above 5L	187	3.9332	3.9332
1.5L to 3L	200	3.9742	3.9742
Below 1.5L	216		4.0656
Sig.		0.515	0.137

Means for groups in homogeneous subsets are displayed.

Based on observed means.

The error term is Mean Square(Error) = .388.

b. Alpha = .1.

Testing of Hypothesis H13

Levene's test of homogeneity was performed to check whether the assumption of homogeneity is satisfied. The result gave a P value as 0.021 for Product Attributes, 0.275 for Place Characteristics, 0.574 for Price Affordability, 0.097 for Promotional Effectiveness, 0.15 for Brand Image, 0.024 for Satisfaction, 0.536 for Choice Overload and 0.145 for Loyalty. That means all the P values are greater than 0.05 except Product Attributes, Promotional Effectiveness and Satisfaction, concluding the population variances of all other groups are approximately equal. The P value (at 10% significance) in the above shown MANOVA table

suggests that except Product Attributes, Promotion Effectiveness and Satisfaction, there is no significant difference in perceptions of respondents based on income level with respect to the causal variables considered. So Tukey HSD test was performed for Product Attributes, Promotional Effectiveness and Satisfaction.

In the case of Product Attributes, it can be clearly seen than the respondents with more than 5L as annual income have a difference in perception when compared with the respondents having an annual income less than 1.5L. This is because income level below 1.5L has a mean value higher than the mean of respondents having Income Level above 5L.

In the case of Promotional Effectiveness, it can be clearly seen than the respondents with an income level between 3L to 5L have a difference in perception when compared with the respondents having an annual income less than 1.5L.This is because income level below 1.5L has a mean value higher than the mean of respondents having Income Level between 3L to 5L.

In the case of Satisfaction, it can be clearly seen than the respondents with an income level between 3L to 5L have a difference in perception when compared with the respondents having an annual income less than 1.5L. Income level below 1.5L has a mean value higher than the mean of respondents having Income Level between 3L to 5L.

Hence it is concluded that the customers of Khadi/Handloom Industries in Kerala belongs to annual Income Level below 1.5L are having difference in perception stronger than annual income above 5L regarding the impact of Product Attribute on Customer Satisfaction. Again the customers of Khadi/Handloom Industries in Kerala belongs to annual Income Level below 1.5L are having difference in perception stronger than annual income between 3L to 5L regarding the impact of Promotional Effectiveness on Customer Satisfaction.

The hypothesis H13 that "**There is significant difference in perceptions among respondents towards variables on the basis of their Income Level**." stands accepted.

6.4.1.7 Nature of Work– wise Perception on Marketing Practices and CustomerSatisfaction and Loyalty and its Moderating Effect Choice Overload

Here the Nature of Work– wise perception regarding the impact of marketing practices i.e., the causal variables on customer satisfaction and loyalty and its moderating effect choice overload has been carried out. In order to analyze the perception of the respondents MANOVA has been carried out. Perception of the respondents regarding the impact of causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload based on nature of work of the customers of Khadi/Handloom Industries in Kerala has been summarized in the Table 6.35 given below.

Table-6.35: Nature of Work Vs Perception towards Variables

Tests of Between-Subjects Effects									
Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[i]
Nature of Work	Product Attributes	0.023	2	0.012	0.029	0.972	0	0.057	0.107
	Place Charecteristics	1.448	2	0.724	1.868	0.155	0.005	3.736	0.516
	Price Affordability	0.383	2	0.191	0.46	0.631	0.001	0.921	0.208
	Promotion Effectivenes	1.675	2	0.838	2.049	0.13	0.005	4.098	0.55
	Brand Image	1.244	2	0.622	1.436	0.238	0.003	2.872	0.429
	Satisfaction	0.409	2	0.204	0.522	0.594	0.001	1.043	0.222
	Choice Overload	0.66	2	0.33	0.814	0.444	0.002	1.627	0.291
	Loyalty	0.641	2	0.32	0.616	0.54	0.001	1.232	0.245

Source: Primary Data

Testing of Hypothesis H14

Levene's test of homogeneity was performed to check whether the assumption of homogeneity is satisfied. The result gave a P value as 0.972 for Product Attributes, 0.155 for Place Characteristics, 0.631 for Price Affordability, 0.13 for Promotional Effectiveness, 0.238 for Brand Image, 0.594 for Satisfaction, 0.444 for

Choice Overload and 0.54 for Loyalty. That means all the P values are greater than 0.05, concluding the population variances of all groups are approximately equal. So that the perception regarding the antecedent impact of Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload are equal irrespective of their nature of work. The P value (at 10% significance) in the above shown MANOVA table suggests that there is no significant difference in perceptions of respondents based on their nature of work with respect to the causal variables i.e., the marketing practices considered. Hence it is concluded that the customers of Khadi/Handloom Industries in Kerala based on all nature of work are having similar perception regarding the impact of marketing practices on Customer Satisfaction and Loyalty and its moderating effect Choice Overload.

The hypothesis H14 that "**There is significant difference in perceptions among respondents towards variables on the basis of their Nature of Work**." stands not accepted.

6.4.1.8 Reason Behind Visiting Khadi/Handloom Showroom–wisePerception on Marketing Practices andCustomerSatisfactionand Loyalty and its Moderating Effect Choice Overload.

Here the Reason Behind Visiting Khadi/Handloom Showroom – wise perception regarding the impact of marketing practices i.e., the causal variables on customer satisfaction and loyalty and its moderating effect choice overload has been carried out. In order to analyze the perception of the respondents MANOVA has been carried out. Perception of the respondents regarding the impact of causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload based onreason behind visiting Khadi/Handloom showroom of the customers of Khadi/Handloom Industries in Kerala has been summarized in the Table 6.36 given below.

Table-6.36: Reason for Visit Vs Perception towards Variables

Tests of Between-Subjects Effects									
Source		Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared	Noncent. Parameter	Observed Power[i]
Reason for Visit	Product Attributes	1.475	3	0.492	1.213	0.304	0.004	3.638	0.451
	Place Charecteristics	0.312	3	0.104	0.267	0.849	0.001	0.801	0.176
	Price Affordability	0.505	3	0.168	0.404	0.75	0.001	1.213	0.216
	Promotion Effectivenes	0.929	3	0.31	0.755	0.52	0.003	2.265	0.32
	Brand Image	0.991	3	0.33	0.761	0.516	0.003	2.284	0.322
	Satisfaction	0.424	3	0.141	0.36	0.782	0.001	1.08	0.203
	Choice Overload	1.301	3	0.434	1.07	0.361	0.004	3.21	0.411
	Loyalty	1.877	3	0.626	1.205	0.307	0.004	3.615	0.449

Source: Primary Data

Testing of Hypothesis H15

Levene's test of homogeneity was performed to check whether the assumption of homogeneity is satisfied. The result gave a P value as 0.304 for Product Attributes, 0.849 for Place Characteristics, 0.75 for Price Affordability, 0.52 for Promotional Effectiveness, 0.516 for Brand Image, 0.782 for Satisfaction, 0.361 for Choice Overload and 0.307 for Loyalty. That means all the P values are greater than 0.05, concluding the population variances of all groups are approximately equal. So that the perception regarding the impact of Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload are equal irrespective of their reason behind visiting Khadi/Handloom showroom. The P value (at 10% significance) in the above shown MANOVA table suggests that there is no significant difference in perceptions of respondents based on their reason behind visiting Khadi/Handloom showroom with respect to the causal variables i.e., the marketing practices considered. Hence it is concluded that the customers of Khadi/Handloom Industries in Kerala based on their reason behind visiting Khadi/Handloom showroom are having similar perception regarding the impact of marketing practices on Customer Satisfaction and Loyalty and its moderating effect Choice Overload.

The hypothesis H15 that "**There is significant difference in perceptions among respondents towards variables on the basis of their reasons behind visiting Khadi/Handloom Showroom.**" stands not accepted.

6.4.1.9 Length of Usage – Wise Perception on CustomerSatisfactionand Loyalty.

Here the Length of Usage of Khadi/Handloom Textiles – wise perception regarding the impact of marketing practices i.e., the causal variables on customer satisfaction and loyalty and its moderating effect choice overload has been carried out. In order to analyze the perception of the respondents One-Way ANOVA has been carried out. Perception of the respondents regarding the impact of causal variables such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload based onlength of usage of Khadi/Handloom textiles of the customers of Khadi/Handloom Industries in Kerala has been summarized in the Table 6.37 given below.

Table-6.37: One-way Anova to compare length of usage with Satisfaction and Loyalty

ANOVA						
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Sat	Between Groups	3.563	2	1.781	4.590	.010
	Within Groups	320.190	825	.388		
	Total	323.753	827			
loyalty	Between Groups	2.755	2	1.378	2.662	.070
	Within Groups	426.993	825	.518		
	Total	429.748	827			

Significant F-values confirms that there is significant difference in perception about satisfaction as well as loyalty among groups having different length of usage of Khadi/Handloom.

Table 6.38: Satisfaction

Tukey HSD			
Length of usage	**N**	**Subset for alpha = 0.05**	
		1	**2**
less than 4yrs	226	3.8879	
4 to 5 yrs	386	3.9555	3.9555
more than 5yrs	216		4.0656
Sig.		.435	.112

Table-6.39: Loyalty

Tukey HSD			
Length of usage	**N**	**Subset for alpha = 0.05**	
		1	**2**
less than 4 yrs	226	3.7117	
4 to 5 yrs	386	3.7880	3.7880
more than 5yrs	216		3.8696
Sig.		.451	.403

Means for groups in homogeneous subsets are displayed.

Theories suggested that more loyalty can be expected from prolonged use. For both variables Satisfaction and Loyalty more difference in perception has been shown by customers having more length of association. So more effort should be made to make the customers of Khadi/Handloom in Kerala to repurchase Khadi/Handloom textiles.

Testing of Hypothesis H16

The result gave a P value less than 0.05 for Satisfaction and Loyalty. Here the hypothesis is accepted that there was significant difference in perception of customers about satisfaction and loyalty among groups having different length of usage of Khadi/Handloom. It showed that as length of association increases

retention of Khadi/Handloom customers were reduced. That means the effort of Khadi/Handloom in Kerala have failed to retain its most of the customers.

The hypothesis H16 that "**There is significant difference in perception among respondents towards satisfaction as well as loyalty on the basis of their different length of usage of Khadi/Handloom.**" stands accepted.

6.5 Part – 4 Analysis of Theoretical Model of Marketing Practices onCustomer Satisfaction and Loyalty Dimensions

The next step in the analysis procedure was to explore the customer satisfaction construct and confirm the existence of various dimensions by which it was assumed to be formed. This was done in 3 stages:

- Framing Theoretical Model and
- Assumptions lead to Hypotheses Formulation
- Validation of Proposed Model of Marketing Practices and its influence on Customer Satisfaction and Loyalty

6.5.1 Framing Theoretical Model

The theoretical model of Marketing Practices and its influence on Customer Satisfaction and Loyaltydimensions was formed on the basis of theoretical framework study which was mentioned in Chapter – 3. The model proposed that Mc Carthy's 4 P's i.e., Product, Price, Place and Promotion in marketing practices and Brand Image are positively contributing to customer satisfaction which in turn contributing to loyalty.

The indicator variables related to independent variables of marketing practices such as product attributes, place characteristics, price affordability, promotional effectiveness and brand image; and dependent variables such as satisfaction and loyalty; and moderator – choice overload were formed on the basis of review of literature and pilot study. Its reliability was tested using Cronbach's coefficient alpha.

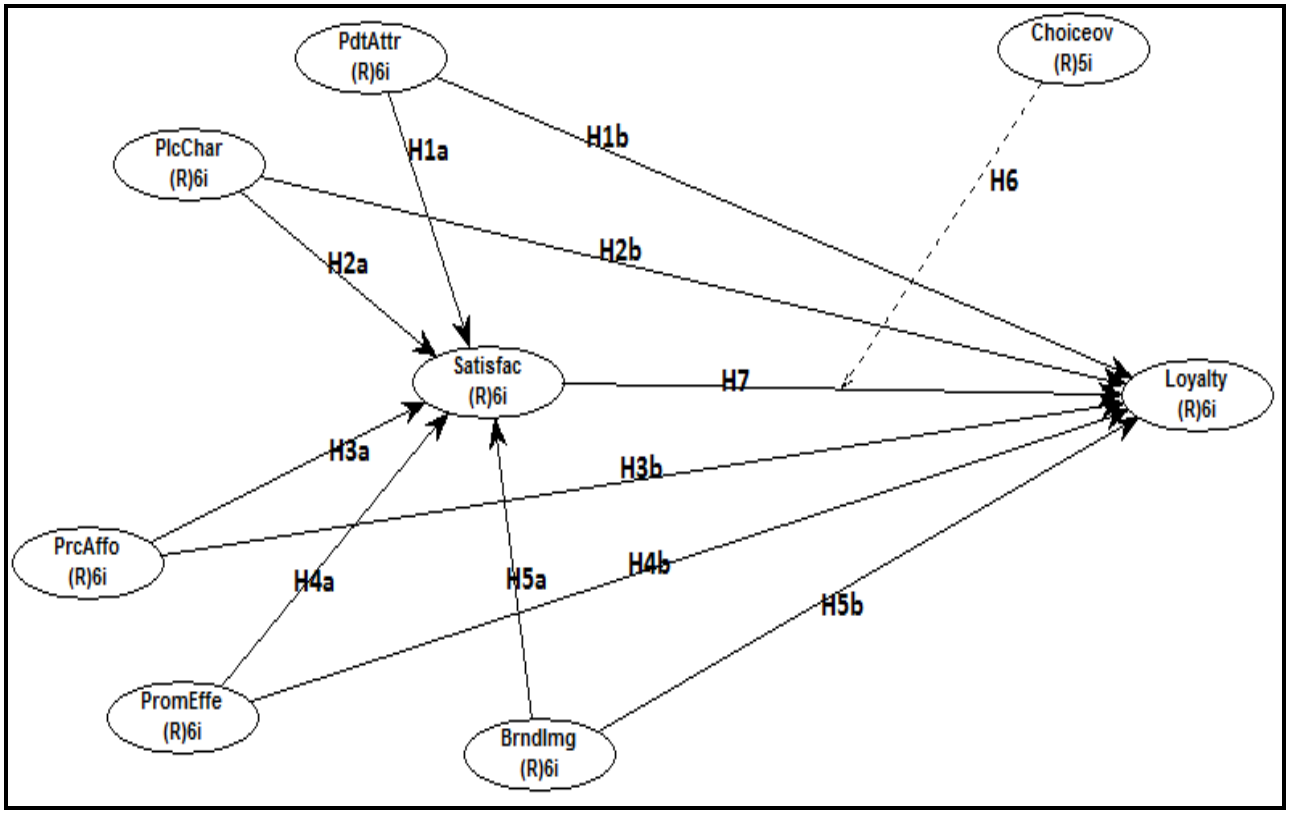


Figure-6.1: Theoretical Model of Marketing Practices on Customer Satisfaction and Loyalty Dimensions

Table-6.40: Variables Considered

Sl No:	Variable Name	Structure
1	Product Attributes	Uni-dimensional with 6 reflective items
2	Place Characteristics	Uni-dimensional with 6 reflective items
3	Price Affordability	Uni-dimensional with 6 reflective items
4	Promotional Effectiveness	Uni-dimensional with 6 reflective items
5	Brand Image	Uni-dimensional with 6 reflective items
6	Satisfaction	Uni-dimensional with 6 reflective items
7	Choice Overload	Uni-dimensional with 5 reflective items
8	Loyalty	Uni-dimensional with 6 reflective items

6.5.2 Assumptions Lead to Hypotheses Formulation

Assumptions lead to hypotheses formulation of customer satisfaction and loyalty dimensions model was formed on the basis of theoretical framework study which was mentioned in Chapter – 3.

Hypotheses

H1a: There exists significant relationship between Product Attributes and Satisfaction of Khadi/Handloom customers in Kerala.

H1b: There exists significant relationship between Product Attributes and Loyalty of Khadi/Handloom customers in Kerala.

H2a: There exists significant relationship between Place Characteristics and Satisfaction of Khadi/Handloom customers in Kerala.

H2b: There exists significant relationship between Place Characteristics and Loyalty of Khadi/Handloom customers in Kerala.

H3a: There exists significant relationship between Price Affordability and Satisfaction of Khadi/Handloom customers in Kerala.

H3b: There exists significant relationship between Price Affordability and Loyalty of Khadi/Handloom customers in Kerala.

H4a: There exists significant relationship between Promotional Effectiveness and Satisfaction Khadi/Handloom customers in Kerala.

H4b: There exists significant relationship between Promotional Effectiveness and Loyalty of Khadi/Handloom customers in Kerala.

H5a: There exists significant relationship between Brand Image and Satisfaction of Khadi/Handloom customers in Kerala.

H5b: There exists significant relationship between Brand Image and Loyalty of Khadi/Handloom customers in Kerala.

H6: Choice Overload perceived by the customers moderates the relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala.

H7: There exists significant relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala.

H8: There is significant difference in perceptions among respondents towards variables on the basis of Gender

H9: There is significant difference in perceptions among respondents towards variables on the basis of their Area of Domicile

H10: There is significant difference in perceptions among respondents towards variables on the basis of their Age

H11: There is significant difference in perceptions among respondents towards variables on the basis of their Education Level

H12: There is significant difference in perceptions among respondents towards variables on the basis of their Work Experience

H13: There is significant difference in perceptions among respondents towards variables on the basis of their Income Level

H14: There is significant difference in perceptions among respondents towards variables on the basis of their Nature of Work

H15: There is significant difference in perceptions among respondents towards variables on the basis of their reasons behind visiting Khadi/Handloom Showroom

H16: There is significant difference in perception among respondents towards satisfaction as well as loyalty on the basis of their different length of usage of Khadi/Handloom.

6.5.3 Validation of Proposed Customer Satisfaction Model

One of the important objectives of this study is to develop and validate a model for measuring customer satisfaction of Handloom/Khadi industries in Kerala. For the purpose of the study, a proposed research framework has been developed on the basis of theoretical framework. In this part of the study the validation of the proposed research model has been executed.

The first section of the proposed research framework explained in the theoretical framework which was mentioned in Chapter- 3 represents the marketing practices which are the different causal variables that give satisfaction to the customers and in turn start developing loyalty in their mind after a good shopping experience. Based on the available literature support the marketing practicessuch as 4 Ps of marketing mixand Brand Imagehave been chosen as causal variableswhich determines the Satisfaction of Khadi/Handloom textile customer.

As per the study 4Ps of marketing mix are Product Attributes, Place Characteristics, Price Affordability, and Promotional Effectiveness. Product attributes in this study means the feeling or perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various product related attributes or aspects of Khadi/Handloom textiles in Kerala. Place characteristics means the perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various place/distribution related aspects of Khadi/Handloom textile showrooms in Kerala. Price affordability is the feeling or perception in the mind of a Khadi/Handloom customer in Kerala towards the acceptability of various price related aspects of Khadi/Handloom textiles in Kerala. Promotional effectiveness is the feeling or perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various promotion related activities of Khadi/Handloom industries in Kerala. Brand image is the feeling or perception in the mind of a Khadi/Handloom customer in Kerala towards the acceptability of various image related aspects of Khadi/Handloom brand textiles in Kerala.

The second part of the study examines the outcome of marketing practices of Khadi/Handloom industries in Kerala such as Customer Satisfaction and Loyalty. Here, Customer Satisfaction means the feeling of pleasure or disappointment felt by Khadi/Handloom customers in Kerala due to the impact of factors such as product attributes, place characteristics, price affordability, promotional effectiveness and brand image pertaining to Khadi/Handloom industries in Kerala. In every product delivering context, customer satisfaction occurs as the net result of impact of causal factors capable of creating, retaining and reducing satisfaction. Loyalty is the perception in the mind of Khadi/Handloom customers in Kerala about various causal variables related to satisfaction which makes them to repurchase or recommend Khadi/Handloom textiles in Kerala. Hence the study analyzes how effective the marketing practices of Khadi/Handloom industries in Kerala in bringing productive outcomes like Customer Satisfaction and developing loyalty, by continuing the purchase or usage and also recommending Khadi/Handloom textiles to others, over years.

The final part of the study examines the moderating role of Choice Overload (CO) in bringing productive outcomes like Customer Satisfaction and Loyalty. In this study choice overload means confusion in the mind of Khadi/Handloom customers in Kerala about multiplicity of substitutes of Khadi/Handloom textiles available in the Kerala market. This study analyzes how CO can curtain the expected outcomes of marketing practices of Khadi/Handloom industries in Kerala. The study has done in two distinctive phases namely; Validation of Customer Satisfaction Model – 1 - Without the Moderation effect of Choice Overload and Validation of Customer Satisfaction Model – 2 - With Moderation effect of Choice Overload.

6.5.3.1 Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 1 without moderation effect of choice overload

In this phase the Customer Satisfaction model without the moderation effect of Choice Overload has been performed. The purpose of this phase is to examine the relationship between Customer Satisfaction with marketing practices i.e., its causal variables and also to study the relationship between Customer Satisfaction with its expected outcome such as Loyalty. Model – 1 analyzes relation between the different causal variables i.e., the marketing practices and Customer Satisfaction of the Khadi/Handloom textile customers. The marketing practices i.e., the causal variables considered for the study are Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image. This Model – 1 examines the strength of relation of each antecedent variable with Customer Satisfaction. The relationship strength of Customer Satisfaction with its expected outcome namely, Loyalty is also illustrated with the model. Loyalty is the perception in the mind of Khadi/Handloom customers in Kerala about various causal variables related to satisfaction which makes them to repurchase or recommend Khadi/Handloom textiles in Kerala. Hence the study analyzes how effective the marketing practices of Khadi/Handloom industries in Kerala in bringing productive outcomes like Customer Satisfaction and developing Loyalty among customers over years.

Structural Equation Modeling (SEM) has been used for analyzing the relationship between Customer Satisfaction and marketing practices i.e., the causal variables. SEM aims to assess influence of antecedent factors on customers in determining the Satisfaction and the impact of Satisfaction on Loyalty.

Usually multiple regression analysis is used to predict the changes in dependent variables caused by a set of independent variables. Somehow, it is not used in the present study because multiple regression analysis can only be used to identify relationships linking a set of independent variables and a single dependent variable, not between constructs derived from principalcomponents analysis.Structural Equation Modeling (SEM) is appropriate for the rationale of the present study because it can be used to investigate the relationships between constructs.

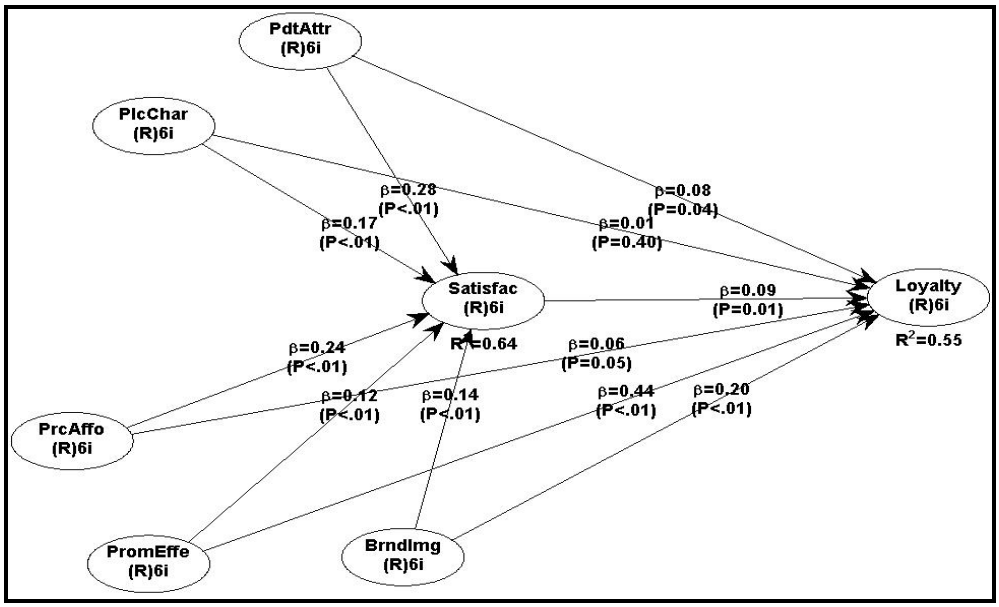


Figure-6.2: Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 1 without moderation effect of choice overload

Model Validation-Verifying the Model Fit

The estimated model with beta values and corresponding P values are provided in the above figure. A pre-condition for accepting the estimated model for further interpretation was that the model should fit with the data. Similarly the various validity and reliability criterion should be met. A model possessing required reliability and validity conclude that the levels of measurement errors in the data are relatively less and the results of analysis credibly tests the hypotheses proposed in the study (Reji Kumar, 2013).

To evaluate the model fit with the data, it is recommended that the p-values for both the average path coefficient (APC) and the average r-squared (ARS) be both lower than 0.05. In addition, it is recommended that the average variance inflation factor (AVIF) be lower than 5 (Ned Kock; 2009). Table 6.41 confirmed Model fitness with data as values of APC, ARS, AARS were with p values less than 0.05 and since all other indices were found to have acceptable values. It was found that, all the three fit criteria were met and can reasonably assume that the model have acceptable predictive and explanatory quality as the data is well represented by the model.

Table-6.41: Model Fit Indices and P values of the Research Model

APC=0.167 ; P=<0.05
ARS=0.592 ; P=<0.001
AVIF=2.260 ; Good if < 5

Table-6.42: Effect Sizes for Path Coefficients

	PdtAttr	PlcChar	PrcAffo	PromEff	BrndImg	Satisfact
Satisfaction	0.200	0.115	0.169	0.076	0.078	
Loyalty	0.047	0.005	0.035	0.301	0.106	0.053

Recommended effect sizes (f-squared) for small, medium, or large effect are 0.02, 0.15, and 0.35 respectively (Cohen, 1988). Hence from this study it can be interpreted that price affordability had medium effect sizes for path coefficients among marketing practices i.e., different causal variables on customer satisfaction. It has got a value of 0.169 and this was followed by place characteristics of Khadi/Handloom industries in Kerala with a value 0.115. The study shows that promotional effectiveness and brand image with a value 0.076 and 0.078 was not that much effective among the Khadi/Handloom customers in Kerala with respect to satisfaction when compared to other causal variables.

The effect size for path coefficient ofsatisfaction and loyalty was also analyzed. Satisfaction had got a value of 0.053was not that much effectual in creating loyalty among the customers of Khadi/Handloom industries in Kerala. Hence it could be summarized that much effort has to be made to create satisfaction among the customers of Khadi/Handloom industries in Kerala which can be lead to loyalty among them.

The Validity and Reliability of Marketing Practices and its influence on Customer Satisfaction and LoyaltyModel -1 without Moderation Effect

The validity and reliability of the indicators used to measure each of the variables in the SEM without moderating effect of choice overload were assessed on the basis of certain criteria as mentioned in Table 6.43. Chin, Marcolin and Newsted 1996 have clearly pointed out that researcher should not only indicate whether the relationship between variables is significant or not, but also report the effect size, R^2, between these variables (Ken Kwong-Kay Wong, 2013). R^2 coefficients were provided for endogenous variables, and reflect the percentage of explained variance for each of those latent variables.

Table-6.43: Latent Variable Coefficientsof Marketing Practices and its Influence on Customer Staisfaction Model -1

Criteria	PdtAttr	PlcChar	PrcAff	PromEff	BrndIm	Satisf	Loyalt	Limit
R-squared coefficients						0.639	0.546	**+value**
Adjusted R-squared coefficients						0.636	0.543	**+value**
Composite reliability coefficients	0.868	0.863	0.858	0.882	0.879	0.856	0.894	**>0.7**
Cronbach's alpha coefficients	0.817	0.810	0.801	0.840	0.834	0.798	0.857	**>0.7**
Average variances extracted	0.523	0.513	0.502	0.555	0.548	0.499	0.585	**>0.5**
Full collinearity VIFs	2.984	2.299	2.603	2.387	1.673	2.778	2.191	**<3.3**
Q-squared coefficients						0.639	0.546	**+value**

R-squared coefficients and Adjusted R-squared coefficients show positive value for the latent variables under consideration. Composite reliability coefficients of all the latent variables were greater than 0.7 and hence confirming composite reliability. All the Cronbach's Alpha coefficients were also greater than 0.7. Average variances extracted for all variances were greater than 0.5. VIFs for all variables were showing a value less than 3.3. All the Q-squared coefficients had also got positive values. The square root of the average variance extracted (shown on diagonal) should be higher than any of the correlations involving that latent variable and all correlations to be significant to conclude discriminant validity which was shown in Table 6.44.

Table-6.44: Correlation among Latent Variables and P values

	PdtAttr	PlcChar	PrcAffo	PromEff	BrndImg	Satisfa	Loyalty
PdtAttr	0.723	0.680	0.723	0.631	0.522	0.722	0.571
PlcChar	0.680	0.716	0.647	0.567	0.524	0.662	0.517
PrcAffo	0.723	0.647	0.709	0.603	0.462	0.696	0.543
PromEff	0.631	0.567	0.603	0.745	0.482	0.612	0.686
BrndImg	0.522	0.524	0.462	0.482	0.740	0.548	0.534
Satisfa	0.722	0.662	0.696	0.612	0.548	0.706	0.575
Loyalty	0.571	0.517	0.543	0.686	0.534	0.575	0.765

Note: Square roots of average variances extracted (AVEs) shown on diagonal.

All correlations significant at $p<0.001$

For confirming indicator significance and convergent validity P values associated with the loadings of the indicators should be lower than .05; and that the indicator loadings should be equal to or greater than 0.5; cross loadings should be less than 0.5. Combined loadings and cross-loadings were found more than 0.5 with corresponding p values less than 0.05. Hence the indicator significance and convergent validity of the proposed model was confirmed.Correlation among Latent Variables were computed by calculatingSquare Roots of Average Variances Extracted (AVEs) and confirmed all correlations were significant at P value less than 0.001. As all values are within the acceptable range both validity and reliability at multivariate level can be confirmed for Customer Satisfaction Model - 1without moderating effect of Choice Overload.

Relation between Customer Satisfaction and Product Attributes

In this study Product Attributes means the feeling or perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various product related attributes or aspects of Khadi/Handloom textiles in Kerala. This section of the study analyses the relation between Customer Satisfaction and Product Attributes. It evaluates the degree of influence of Product Attributes on building Customer Satisfaction. There were six scale items in the schedule of Khadi/Handloom customers to measure the impact of Product Attributes on Customer Satisfaction. All the items with a mean score above 3 has been exhibited in Table 6.45 and hence the significance of relation between Customer Satisfaction and Product Attributes can be confirmed.

Table 6.45: Descriptive of Product Attributes

Item No.	Scale Variables	N	Min.	Max.	Mean	Std. Deviation
1.	Khadi/Handloom clothes are skin-friendly.	828	1	5	4.05	.860
2.	Khadi/Handloom clothes are durable.	828	1	5	3.91	.878
3.	Appearance of Khadi/Handloom clothes is good.	828	1	5	4.06	.854
4.	Khadi/Handloom clothes are eco-friendly.	828	1	5	4.01	.883
5.	Variety of Khadi/Handloom clothes is good.	828	1	5	3.97	.893
6.	Khadi/Handloom clothes are easy to maintain.	828	1	5	3.58	.929

Source: Primary Data.

Product Attributes of Khadi/Handloom industries in Kerala include durability, variety, appearance, skin-friendly, eco-friendly and easiness to maintain. Among all the product related attributes appearance, skin friendly and eco-friendly shows higher mean scores as given above. It shows that most of the customer showed a higher level of satisfaction with the texture and appearance of Khadi/Handloom textiles. In other words the above features of Khadi/Handloom had a dominating position in the customers' mind. The mean score of variety,durability andeasiness to maintain Khadi/Handloom textiles showed a low level of satisfaction among customers. It means that it is difficult to maintain Khadi/Handloom clothes. It requires starching and ironing. And the present day customers not prefer time consuming process of maintaining clothes as it is one of the primary requirements of man. So more concentration should be given to improvevariety, durability and easiness to maintain Khadi/Handloom textiles.

Testing of Hypotheses H1a

The above section of the study analyses the relation between Customer Satisfaction and Product Attributes. It appraises the degree of influence of Product Attributes on building Customer Satisfaction. The result of SEM indicates that there is a positive relation between Customer Satisfaction and Product Attributes. When the Product Attribute related strategies increases Customer Satisfaction will also increase. Here the result of SEM constitutes the beta value of product attribute to satisfaction is 0.28 i.e., only 28 per cent and the P value is less than 0.01 and hence hypothesis is accepted. Although there is a positive relationship between Product Attributes and Customer Satisfaction, it is only 28 per cent. So more concentration should be given towards product attributes like appearance, skin friendly and eco-friendly to increase satisfaction among customers.

Beta value of product attribute to satisfaction is 0.28 and the P value is less than 0.01. Hence hypothesis H1a that "**There exists significant relationship between Product Attributes and Satisfaction of Khadi/Handloom customers in Kerala**." Seems to be accepted.

Testing of Hypotheses H1b

In this section of the study analyses the relation between Product Attributes and Loyalty. It appraises the degree of influence of Product Attributes of Khadi/Handloom industries in Kerala on building Loyalty among customers. The result of SEM indicates that the beta value of product attribute to loyalty is 0.08 i.e., only 8 per cent and the P value is .04 and the hypothesis is not accepted. It shows that Product Attribute related strategies of Khadi/Handloom industries in Kerala have failed to create loyalty among customers. So more care should be given to Product Attribute related strategies like variety, durability and ease of maintenance of Handloom and Khaditextiles in order to create loyalty among customers.

Beta value of product attribute to loyalty is 0.08 i.e., only 8 per cent and the P value is .04. Hence Hypothesis H1b that "**There exists significant relationship between Product Attributes and Loyalty of Khadi/Handloom customers in Kerala**." stands not accepted.

Relation between Customer Satisfaction and Place Characteristics

Place Characteristics in this study means the perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various place/distribution related aspects of Khadi/Handloom textile showrooms in Kerala. This section of the study analyses the relation between Customer Satisfaction and Place Characteristics. It evaluates the degree of influence of Place Characteristics on building Customer Satisfaction. There were six scale items in the schedule of Khadi/Handloom customers to measure the impact of Place Characteristics on Customer Satisfaction. All the items gave a mean score above 3 as exhibited in Table 6.46 and hence the significance of relation between Customer Satisfaction and Place Characteristics can be confirmed.

Table-6.46: Descriptive of Place Characteristics

Item No.	Scale Variables	N	Min.	Max.	Mean	Std. Deviation
1.	Cleanliness of Khadi/Handloom showrooms is excellent.	828	1	5	4.00	.835
2.	The Internal facilities in Khadi/Handloom showrooms are helpful in making selection of clothes.	828	1	5	3.89	.890
3.	Layout of merchandise of Khadi/Handloom showrooms is excellent.	828	2	5	4.14	.834
4.	Parking facilities of Khadi/Handloom showrooms are sufficient.	828	1	5	3.90	.889
5.	Khadi/Handloom Showrooms are conveniently located.	828	1	5	3.94	.883
6.	Working Hours of Khadi/Handloom showrooms are acceptable.	828	1	5	3.86	.893

Source: Primary Data.

Cleanliness, internal facilities, layout of merchandise, parking facility, convenient location and working hours of Khadi/Handloom showrooms were ingredients of place related strategies of Khadi/Handloom industries in Kerala. Layout of merchandise and cleanliness of Khadi/Handloom showrooms showed a mean score of 4 and above meant that some of the customers were satisfied with the layout of merchandise and cleanliness of Khadi/Handloom showrooms in Kerala. Internal facilities like sitting facility, lighting and delightful manners of sales people of Khadi/Handloom showrooms showed less satisfaction among customers. Again it has been showed that Khadi/Handloom in Kerala provides less care for parking facility, convenient location and working hours of Khadi/Handloom showrooms as these have been obtained poor mean scores. It means that Khadi/Handloom showrooms' parking facility is very poor and customerswere highly dissatisfied with this lacking facility. The location of Khadi/Handloom showrooms were also not conveniently located and it creates a lot of difficulty for the customers. At the present scenario of online shopping, late night shopping etc. working hours of Khadi/Handloom showrooms in Kerala is very limited. It also creates a lot of dissatisfaction among customers. To conclude, the place characteristics of Khadi/Handloom showrooms in Kerala have failed to create satisfaction among customers. Place characteristics is one of the most important part of marketing mix and the poor performance of it showed that Khadi/Handloom industries in Kerala has to give more attention to improve the same for their better performance.

Testing of Hypotheses H2a

The above section of the study analyses the relation between Customer Satisfaction and Place Characteristics. It appraises the degree of influence of Place Characteristics on building Customer Satisfaction. The result of SEM indicates that there is a positive relation between Customer Satisfaction and Place Characteristics. When the Place Characteristic related strategies increases Customer Satisfaction will also increase. Here the result of SEM constitutes the beta value of place characteristics to satisfaction is 0.17 i.e., only 17 per cent and the P value is less than 0.01 and hence hypothesis is accepted. It showed that only 17 per cent customers were satisfied with place characteristics. The significance of place characteristics in creating customer satisfaction is very low. Hence more

concentration should be given to place characteristics like cleanliness and layout of merchandise of Khadi/Handloom showrooms to increase the level of satisfaction among customers.

Beta value of place characteristics to satisfaction is 0.17 and theP value is less than 0.01. Hence hypothesis H2a that "**There exists significant relationship between Place Characteristics and Satisfaction of Khadi/Handloom customers in Kerala**." Seems to be accepted.

Testing of Hypotheses H2b

In this section of the study analyses the relation between Place Characteristics and Loyalty. It appraises the degree of influence of Place Characteristics of Khadi/Handloom industries in Kerala on building Loyalty among customers. The result of SEM indicates that the beta value of place characteristics to loyalty is 0.01 i.e., only 1 per cent and the P value is 0.40 and so the hypothesis is not accepted. It showed that place characteristics of Khadi/Handloom textiles in Kerala have failed to create loyalty among customers. So more concentration should be given to Place related strategies like internal facilities, parking facilities, working hours and location of Khadi/Handloom showrooms in Kerala to create loyalty among customers.

Beta value of place characteristics to loyalty is 0.01 i.e., only 1 per centand the P value is 0.40. Hence Hypothesis H2b that "**There exists significant relationship between Place Characteristics and Loyalty of Khadi/Handloom customers in Kerala**." stands not accepted.

Relation between Customer Satisfaction and Price Affordability

In this study Price Affordability means the feeling or perception in the mind of a Khadi/Handloom customer in Kerala towards the acceptability of various price related aspects of Khadi/Handloom textiles in Kerala. This section of the study analyses the relation between Customer Satisfaction and Price Affordability. It evaluates the degree of influence of Price Affordability on building Customer Satisfaction. There were six scale items in the schedule of Khadi/Handloom customers to measure the impact of Price Affordability on Customer Satisfaction. All the items gave a mean score above 3 as exhibited in Table 6.47 and hence the significance of relation between Customer Satisfaction and Price Affordability can be confirmed.

Table-6.47: Descriptive of Price Affordability

Item No.	Scale Variables	N	Min.	Max.	Mean	Std. Deviation
1.	The price of the Khadi/Handloom cloth is economical.	828	1	5	3.96	.934
2	Easy payment options are available in Khadi/Handloom showrooms.	828	1	5	3.85	.889
3	The price of the Khadi/Handloom cloth is reasonable.	828	1	5	3.90	.958
4	Purchase of Khadi/Handloom clothes gives value for money.	828	1	5	4.16	.868
5	Price of the Khadi/Handloom clothes is affordable.	828	1	5	3.97	.921
6	Khadi/Handloom clothes are available in different price ranges.	828	1	5	4.04	.884

Source: Primary Data.

Price related strategies of Khadi/Handloom clothes in Kerala includeavailability in different price ranges, purchase gives value for money, economical price, affordable price, reasonable price and easy payment options.

Among all these strategies availability in different price ranges and purchase gives value for money shows a mean score of 4 and above. It means that some of the customers were satisfied with the above two price related features of Khadi/Handloom textiles in Kerala. Economical price, reasonable price,affordable price and easy payment option facility showed a low level of satisfaction among customers. It means that most of the customers of Khadi/Handloom textiles in Kerala perceived that Khadi/Handloom clothes are high priced products. Easy payment option facility is not that much available in most of the Khadi/Handloom showrooms in Kerala.

At the present scenario, majority of the customers purchase products using credit/debit cards. The lack of easy payment options at Khadi/Handloom showrooms in Kerala is a major drawback in its price related marketing strategy.

Testing of Hypotheses H3a

The above section of the study analyses the relation between Customer Satisfaction and Price Affordability. It appraises the degree of influence of Price Affordability on building Customer Satisfaction. The result of SEM indicates that there is a positive relation between Customer Satisfaction and Price Affordability. When the Price Affordability related strategies increases Customer Satisfaction will also increase. Here the result of SEM constitutes the beta value of price affordability to satisfaction is 0.24 i.e., only 24 per cent and P value is less than 0.01 and hence hypothesis is accepted. It showed that only 24 per cent of the customers perceived that Price Affordability contribute customer satisfaction. The significance of Price Affordability in creating customer satisfaction is very less. Hence more attention should be given to price affordability indicators like availability in different price ranges and purchase gives value for money to generate more satisfaction among Khadi/Handloom textile customers.

Beta value of price affordability to satisfaction is 0.24 i.e., only 24 per cent and P value is less than 0.01. Hence hypothesis H3a that "**There exists significant relationshipbetweenPriceAffordabilityand Satisfaction of Khadi/Handloom customers in Kerala**." Seems to be accepted.

Testing of Hypotheses H3b

In this section of the study analyses the relation between Price Affordability and Loyalty. It appraises the degree of influence of Price Affordability of Khadi/Handloom industries in Kerala on building Loyalty among customers. The result of SEM indicates that the beta value of Price Affordability to Loyalty is 0.06 i.e., only 6 per cent and the P value is 0.05 and hence the hypothesis is not accepted. It showed that Price Affordability of Khadi/Handloom textiles in Kerala was not able to create Loyalty among customers. So more attention should be given to Price Affordability related strategies like reasonable price, economical price and easy payment options of Khadi/Handloom industries in Kerala to create loyalty among customers.

Beta value of Price Affordability to Loyalty is 0.06 i.e., only 6 per cent and the P value is 0.05. Hence Hypothesis H3b that "**There exists significant relationship between Price Affordability and Loyalty of Khadi/Handloom customers in Kerala**." stands not accepted.

Relation between Customer Satisfaction and Promotional Effectiveness

Promotional Effectiveness in this study is the feeling or perception in the mind of a Khadi/Handloom customer in Kerala about acceptability of various promotion related activities of Khadi/Handloom industries in Kerala. This section of the study analyses the relation between Customer Satisfaction and Promotional Effectiveness. It evaluates the degree of influence of Promotional Effectiveness on building Customer Satisfaction. There were six scale items in the schedule of Khadi/Handloom customers to measure the impact of Promotional Effectiveness on Customer Satisfaction. All the items gave a mean score above 3 as exhibited in Table 6.48 and hence the significance of relation between Customer Satisfaction and Promotional Effectiveness can be confirmed.

Table 6.48: Descriptive of Promotional Effectiveness

Item No.	Scale Variables	N	Min.	Max.	Mean	Std. Deviation
1	Newspaper Advertisements of Khadi/Handloom are visible.	828	1	5	3.94	.883
2	Display of Khadi/Handloom showrooms is attractive.	828	1	5	3.77	.873
3	Radio Advertisements of Khadi/Handloom are informative.	828	1	5	3.79	.858
4	Khadi/Handloom clothes offer attractive discounts/rebate.	828	1	5	4.06	.846
5	Khadi/Handloom Exhibitions/Melas to promote the sales are good.	828	1	5	3.96	.852

6	Hoardings of Khadi/Handloom are attractive.	828	1	5	3.86	.842

Source: Primary Data.

Promotion related strategies comprise of radio advertisements, display, newspaper advertisements, hoardings, discounts/rebate and exhibition/melas. Only discounts/rebate of Khadi/Handloom clothes showed a mean score above 4 which means that customers perceived good to purchase more during the festival season of discounts/rebate. Customers then prefer the promotion strategy exhibition/melas of Khadi/Handloom. Newspaper advertisements, radio advertisements, hoardings and display promotion strategies of Khadi/Handloom industries in Kerala showed that these were not up to the mark in attracting the customers.

Testing of Hypotheses H4a

The above section of the study analyses the relation between Customer Satisfaction and Promotional Effectiveness. It appraises the degree of influence of Promotional Effectiveness on building Customer Satisfaction. The result of SEM indicates that there is a positive relation between Customer Satisfaction and Promotional Effectiveness. When the Promotional Effectiveness related strategies increases Customer Satisfaction will also increase. Here the result of SEM constitutes the beta value of promotional effectiveness to satisfaction is 0.12 i.e., even if there is a significant relation between promotional effectiveness and satisfaction, it is only 12 per cent and P value is less than 0.01 and hence hypothesis is accepted. It showed that only 12 per cent Promotional Effectiveness contribute Customer Satisfaction. The significance of Promotional Effectiveness in creating customer satisfaction is very low. Hence more attention is required for promotional measures like reforming the system of discounts/rebate to generate more satisfaction among Khadi/Handloom textile customers in Kerala.

Beta value of promotional effectiveness to satisfaction is 0.12 and P value is less than 0.01. Hence hypothesis H4a that "**There exists significant relationship between Promotional Effectiveness and Satisfaction of Khadi/Handloom customers in Kerala**." Seems to be accepted.

Testing of Hypotheses H4b

In this section of the study analyses the relation between Promotional Effectivenessand Loyalty. It appraises the degree of influence of Promotional Effectivenessof Khadi/Handloom industries in Kerala on building Loyalty among customers. The result of SEM indicates that the beta value of Promotional Effectivenessto Loyalty is 0.44 i.e., only 44 per cent and the P value is less than 0.01 and hence the hypothesis is accepted. It shows that promotional effectiveness contributes more to create loyalty in customers than creating customer satisfaction. In other words, promotional effectiveness of Khadi/Handloom is more positively related to loyalty than related to satisfaction. This is because during seasonal rebate/discount customers purchase more in order to avail the advantage of special offers. Even if the customers are not that much satisfied with radio advertisements, display, newspaper advertisements, hoardings and exhibition/melas they purchase more during the seasonal discounts/rebate. Here customers show more interest towards the promotional measure like attractive discounts/rebate of Khadi/Handloom textiles in Kerala. Hence more attention is required for promotional measures like radio advertisements, newspaper advertisements, hoardings, exhibition/melasand display of Khadi/Handloom showrooms in Kerala to retain and to create more loyalty among customers.

Beta value of Promotional Effectiveness to Loyalty is 0.44 and the P value is less than 0.01. Hence Hypothesis H4b that "**There exists significant relationship between Promotional Effectiveness and Loyalty of Khadi/Handloom customers in Kerala**." stands accepted.

Relation between Customer Satisfaction and Brand Image

In this study Brand Image means the feeling or perception in the mind of a Khadi/Handloom customer in Kerala towards the acceptability of various image related aspects of Khadi/Handloom brand textiles in Kerala. This section of the study analyses the relation between Customer Satisfaction and Brand Image. It evaluates the degree of influence of Brand Image on building Customer Satisfaction. There were six scale items in the schedule of Khadi/Handloom customers to measure the impact of Brand Image on Customer Satisfaction. All the items gave a mean score above 3 as exhibited in Table 6.49 and hence the significance of relation between Customer Satisfaction and Brand Image can be confirmed.

Table-6.49: Descriptive of Brand Image

Item No.	Scale Variables	N	Min.	Max.	Mean	Std. Deviation
1	The contribution of Khadi/Handloom for employment generation is remarkable.	828	1	5	4.25	.821
2	The brand name of Khadi/Handloom is a reliable one.	828	1	5	4.08	.932
3	The appearance of Khadi/Handloom showrooms is Pleasant.	828	1	5	3.71	.835
4	Khadi/Handloom clothes give me a distinguishable personality.	828	1	5	3.82	.976
5	Khadi/Handloom clothes increase my status in the society.	828	1	5	4.05	.838
6	Khadi/Handloom clothes help in protecting our traditional values.	828	1	5	3.79	.927

Source: Primary Data.

It comprises of employment generation capacity, reliable brand name, appearance of Khadi/Handloom showrooms, distinguishable personality, increase status in the society and protecting traditional values. Employment generation capacity of Khadi/Handloom clothes scored a mean value of 4.25 and it showed that customers have a very good perception about the employment generation capacity of Khadi/Handloom. Some of the customers perceived positively that the brand name of Khadi/Handloom is a reliable one and it will increase their status in the society. Khadi/Handloom clothes give distinguishable personality, it protects our traditional value and the appearance of Khadi/Handloom showrooms were not up to the mark as perceived by the customers. Brand image is one of the most important marketing practice and the poor image about the brand in the mind of the customers may cause poor performance of Handloom/Khadi textile industries in Kerala. So more attention should be given to create good image about the brand Khadi/Handloom in the minds of customers for their better performance.

Testing of Hypotheses H5a

The above section of the study analyses the relation between Customer Satisfaction and Brand Image. It appraises the degree of influence of Brand Image on building Customer Satisfaction. The result of SEM indicates that there is a positive relation between Customer Satisfaction and Brand Image. When the Brand Image related strategies increases Customer Satisfaction will also increase. Here the result of SEM constitutes the beta value of brand image to satisfaction is 0.14 even if there is a positive relation between brand image and satisfaction, it is only 14 per cent significant and P value is less than 0.01 and hence hypothesis is accepted. It showed that brand image had only 14% significance in creating customer satisfaction. That means it is not that much sufficient to satisfy majority of the customers. In other words, significance of Brand Image in creating customer satisfaction is very low. Hence more attention is required for Brand Image related measures like brand name of Khadi/Handloom is a reliable one, employment generation capacity and increase status in the society to generate more satisfaction among Khadi/Handloom textile customers in Kerala.

Beta value of brand image to satisfaction is 0.14 and P value is less than 0.01. Hence hypothesis H5a that "**There exists significant relationship between Brand Image and Satisfaction of Khadi/Handloom customers in Kerala**." Seems to be accepted.

Testing of Hypotheses H5b

In this section of the study analyses the relation between Brand Imageand Loyalty. It appraises the degree of influence of Brand Imageof Khadi/Handloom industries in Kerala on building Loyalty among customers. The result of SEM indicates that the beta value of brand image to loyalty is 0.20 i.e., only 20 per cent significance and the P value is less than 0.01 and hence the hypothesis is accepted. It shows that brand image had only 20 per cent significance in creating loyalty among customers and majority of these 20 per cent were not satisfied with distinguishable personality, it protects our traditional value and the appearance of Khadi/Handloom showrooms. Hence more attention should be given to improve the appearance of

Khadi/Handloom showrooms pleasant, Khadi/Handloom clothes gives a distinguishable personality and by adding value to the Khadi and Handloom textiles to create more loyalty among customers.

Beta value of Brand Imageto Loyalty is 0.20 and the P value is less than 0.01. Hence Hypothesis H5b that "**There exists significant relationship between Brand Image and Loyalty of Khadi/Handloom customers in Kerala**." stands accepted.

Relation between Customer Satisfaction and Loyalty

In this study Loyalty means the perception in the mind of Khadi/Handloom customers in Kerala about various causal variables related to satisfaction which makes them to repurchase or recommend Khadi/Handloom textiles in Kerala. This section of the study analyses the relation between Customer Satisfaction and Loyalty. It evaluates the degree of influence of Customer Satisfaction on building Loyalty. There were six scale items in the schedule of Khadi/Handloom customers to measure the impact of Customer Satisfaction on Loyalty. All the items gave a mean score above 3 as exhibited in Table 6.50 and hence the significance of relation between Customer Satisfaction and Loyalty can be substantiated.

Table 6.50: Descriptive of Loyalty

Item No.	Scale Variables	N	Min.	Max.	Mean	Std. Deviation
1	Whenever I buy clothes I will repeatedly purchase the brandKhadi/Handloom.	828	1	5	3.93	.894
2	I'll buy Khadi/Handloom clothes even if the price changes.	828	1	5	3.91	.896
3	I consider Khadi/Handloom clothes as my first choice.	828	1	5	3.75	1.001
4	I intend to continue using Khadi/Handloom clothes in the future.	828	1	5	3.69	.949
5	I'm willing to recommend Khadi/Handloom clothes to others.	828	1	5	3.72	.956
6	I'll purchase Khadi/Handloom clothes even if discounts/rebate is not offered.	828	1	5	3.72	.962

Source: Primary Data.

Loyalty related strategies of Khadi/Handloom industries in Kerala comprises of repeat purchase of brand Khadi/Handloom, purchase Khadi/Handloom textiles even if price changes, Khadi/Handloom is the first choice, intention to use Khadi/Handloom textiles in the future, willingness to recommend Khadi/Handloom textiles and purchase Khadi/Handloom textiles even if there is no discounts/rebate. The above table 6.50 shows that none of these items under loyalty has been given a mean value above 4.That means Khadi/Handloom industries in Kerala have failed to convert majority of the satisfied customers into loyal ones. Retaining the existing customers are more important than creating a new customer. Hence Khadi/Handloom industries in Kerala should give more attention in converting satisfied customers into loyal ones or in creating loyalty among its existing customers by reforming their marketing mix strategies and by increasing their brand image strategies.

Testing of Hypotheses H7

The above section of the study analyses the relation between Customer Satisfaction and Loyalty. It appraises the degree of influence of Customer Satisfaction in building loyalty among customers. The result of SEM indicates that there is a negative relation between Customer Satisfaction and Loyalty. When Customer Satisfaction increases Loyalty will also increase. Here the result of SEM constitutes the beta value of satisfaction to loyalty is 0.09 i.e., only 9 per cent of satisfaction is converted to loyalty and the P value is equal to 0.01 and the hypothesis is not accepted. It showed that Customer Satisfaction had only 9 per cent significance in creating loyalty among customers. That means it is not at all sufficient to create loyalty among customers. It showed that majority of the satisfied customers of Khadi/Handloom industries in Kerala

were not converted to loyal customers. Hence we can conclude that due to problems in the marketing practices i.e., marketing mix and brand image of Khadi/Handloom industries in Kerala majority of the satisfied customers are not converted to loyal customers. So more attention should be given to retain or not to lose the existing customers and to create and increase loyalty among them.

Beta value of brand image to satisfaction is 0.09 and P value is equal to 0.01. Hence hypothesis H7 that "**There exists significant relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala**." Stands not accepted.

6.5.3.2 Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 2 with moderation effect of choice overload

In this phase the customer satisfaction model with the moderation effect of Choice Overload has been performed. The final section of the study examines the moderating role of Choice Overload (CO) in bringing fruitful outcome like Loyalty. In this study choice overload means confusion in the mind of Khadi/Handloom customers in Kerala about multiplicity of substitutes of Khadi/Handloom textiles available in the Kerala market. This study analyses how Choice Overload can hurdle the expected outcome of marketing practices and Customer Satisfaction of Khadi/Handloom industries in Kerala.

Potential customers come along a variety of choices as a result of aggressive competition from other substitutesof Khadi/Handloom textiles available in the Kerala market and it is from these diverse offerings that he makes his decision. Even if the marketing practices of Khadi/Handloom industries in Kerala were good the Choice Overload of the customers can hold back the expected result. This phase of the study analyses the moderating role of Choice Overload on Customer Satisfaction in preventing fruitful outcome like Loyalty. Hence this part of the study intends to analyze how Choice Overload of customers affects Loyalty. Customer Satisfaction Model – 2 analyses how Choice Overload can hurdle the expected outcome of Customer Satisfaction of Khadi/Handloom industries in Kerala.

Table-6.51: Descriptive of Choice Overload

Item No.	Scale Variables	N	Min.	Max.	Mean	Std. Deviation
1	I always depend on my friends and relatives to make a decision.	828	1	5	3.56	.923
2	I take more time to make a decision when options are plenty.	828	1	5	3.64	.884
3	When confused to take a decision I feel tensed.	828	1	5	4.25	.852
4	Wide choice normally confuses me.	828	1	5	4.10	.911
5	I normally get confused while shopping clothes when I see multiple options.	828	1	5	3.59	.995

Source: Primary Data.

There were five scale items under choice overload to measure its moderation impact on the outcome of Customer Satisfaction. Dependence on friends and relatives for decision making, taking long time to make decision from variety of options, confused to take decision when feel tensed, confusion on wide choices and confused shopping when see multiple options were the ingredients of choice overload. Confused to take decision when feel tensed and confusion on wide choices were scored a mean value above 4. That means these were perceived more by the customers. Taking long time to make decision from variety of options, confused shopping when see multiple options and dependence on friends and relatives for decision making perceived less by the customers of Khadi/Handloom industries in Kerala.

Similar to Customer Satisfaction Model – 1 Structural Equation Modeling (SEM) has been performed for analyzing the moderation role of Choice Overload on the expected outcomeof Customer Satisfaction such as Loyalty of Khadi/Handloom industries in Kerala. Structural Equation Modeling (SEM) is appropriate for the rationale of the present study because it can be used to investigate the relationships between constructs.

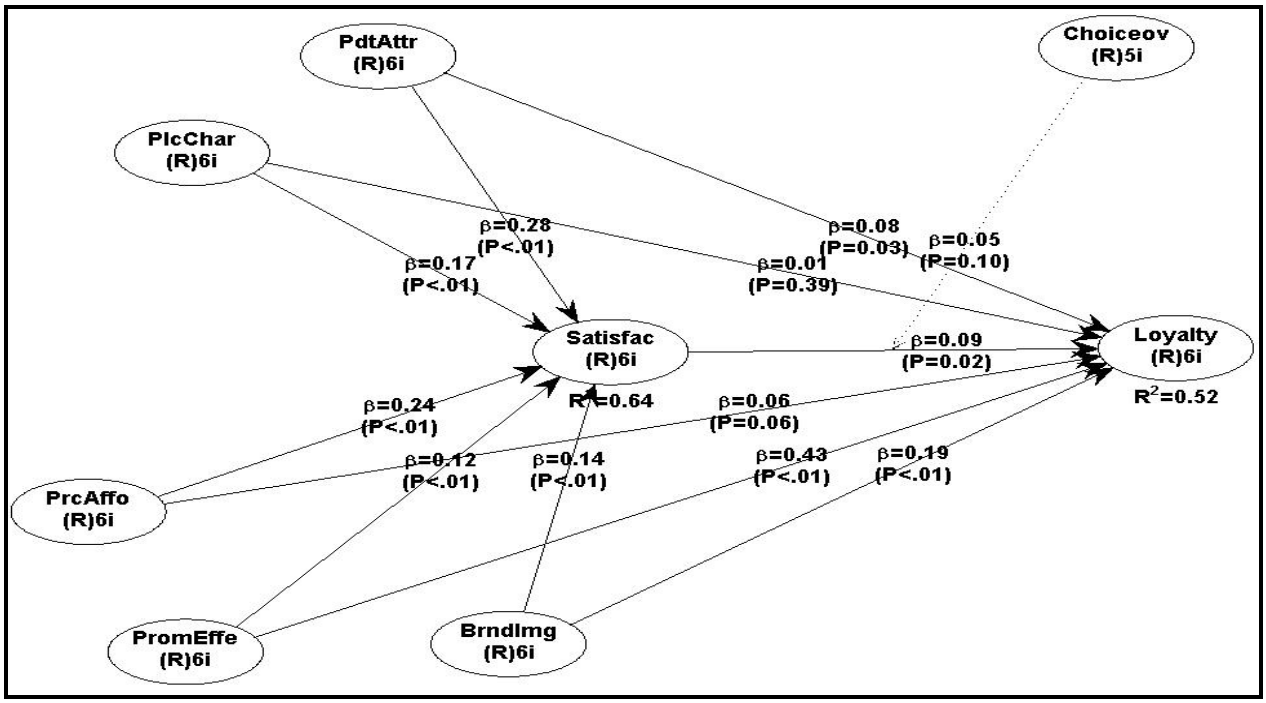


Figure-6.3: Marketing Practices and its Influence on Customer Satisfaction and Loyalty Model – 2 with Moderation Effect of Choice Overload

Verifying the Model Fit

To evaluate the model fit with the data, it is recommended that the p-values for both the average path coefficient (APC) and the average r-squared (ARS) should be both lower than 0.05. In addition, it is recommended that the average variance inflation factor (AVIF) should be lower than 5. Model fitness with data established as values of APC, ARS, AARS were with p values less than 0.05 and since all other indices were found to have acceptable values. It was found that, all the three fit criteria were met and can reasonably assume that the model have acceptable predictive and explanatory quality as the data is well represented by the model.

Table-6.52: Model fit indices and P values of the Research Model with Moderation Effect of Choice Overload

APC=0.156 ; P=<0.05
ARS=0.581 ; P=<0.001
AVIF=2.168 ; Good if < 5

Table-6.53: Effect sizes for path coefficients

	PdtAttr	PlcChar	PrcAffo	PromEff	BrndImg	Satisfa	Choiceov
Satisfa	0.200	0.115	0.169	0.076	0.078		
Loyalty	0.049	0.005	0.033	0.297	0.103	0.050	0.012

Source: Primary Data.

Recommended effect sizes (f-squared) of 0.02, 0.15, and 0.35, respectively for small, medium, or large effect (Cohen, 1988). Hence from this study model with moderation effect of Choice Overload showed similar effect sizes for path coefficients among different causal variables on Satisfaction was similar to study model without moderation effect of Choice Overload. That means, it can be interpreted that price affordability had medium effect sizes for path coefficients among different causal variables on customer satisfaction. It has got a value of 0.169 and this was followed by place characteristics of Khadi/Handloom industries in Kerala with a value 0.115. It means Place Characteristics have small and Price Affordability have medium effect on satisfaction of customers. The study shows that promotional effectiveness and brand image with a value 0.076 and 0.078 was not that much effectual among the customers of Khadi/Handloom industries in Kerala with respect to satisfaction when compared with other causal variables.

The effect size for path coefficient of satisfaction and loyalty was also analyzed. Satisfaction had got a value of 0.050 was not that much effectual in creating loyalty among the customers of Khadi/Handloom industries in Kerala. The path coefficients value of satisfaction and loyalty among the customers of Khadi/Handloom industries in Kerala in the second model was almost similar to the first model.

The effect size for path coefficient of Choice Overload and Loyalty was also analyzed. Choice Overload had got a value of 0.012 was not that much effectual in creating loyalty among the customers of Khadi/Handloom industries in Kerala. Hence it could be summarized that the path coefficientvalue of Loyaltywas not influenced significantly by Choice Overload.

The Validity and Reliability of Model – 2 with Moderation Effect ofChoice Overload

The validity and reliability of the indicators used to measure each of the variables in the SEM with moderating effect of choice overload had assessed on the basis of certain criteria as mentioned in the above table for confirming the validity and reliability of the model. R-squared coefficients and Adjusted R-squared coefficients show positive value for the latent variables under consideration. Composite reliability coefficients of all the latent variables were greater than 0.7 and hence confirming composite reliability. All the Cronbach's Alpha coefficients were also greater than 0.7.

Table-6.54: Latent Variable Coefficients

Criteria	PdtAttr	PlcChar	PrcAff	PromEff	BrndIm	Satisf	Loyalt	Choiceov	Limit
R-squared coefficients						0.639	0.524		**+value**
Adjusted R-squared						0.636	0.520		**+value**
Composite reliability coefficients	0.868	0.863	0.858	0.882	0.879	0.856	0.894	0.825	**>0.7**
Cronbach's alpha	0.817	0.810	0.801	0.840	0.834	0.798	0.857	0.732	**>0.7**
Average variances extracted	0.523	0.513	0.502	0.555	0.548	0.499	0.585	0.490	**>0.5**
Full collinearity VIFs	2.985	2.323	2.687	2.589	1.680	2.868	2.256	1.945	**<3.3**
Q-squared coefficients						0.639	0.548		**+value**

Source: Primary Data.

Average variances extracted for all variances were greater than0.5. VIFs for all variables were showing a value less than 3.3. All the Q-squared coefficients had also got positive values. The square root of the average variance extracted (shown on diagonal) should be higher than any of the correlations involving that latent variable and all correlations to be significant to conclude discriminant validity which was shown below.

Table-6.55: Correlation among Latent Variables

	PdtAttr	PlcChar	PrcAffo	PromEff	BrndImg	Satisfa	Loyalty	Choiceo
PdtAttr	0.723	0.680	0.723	0.631	0.522	0.722	0.571	0.536
PlcChar	0.680	0.716	0.647	0.567	0.524	0.662	0.517	0.503
PrcAffo	0.723	0.647	0.709	0.603	0.462	0.696	0.543	0.568
PromEff	0.631	0.567	0.603	0.745	0.482	0.612	0.686	0.636
BrndImg	0.522	0.524	0.462	0.482	0.740	0.548	0.534	0.441
Satisfa	0.722	0.662	0.696	0.612	0.548	0.706	0.575	0.528
Loyalty	0.571	0.517	0.543	0.686	0.534	0.575	0.765	0.576
Choiceo	0.536	0.503	0.568	0.636	0.441	0.528	0.576	0.700

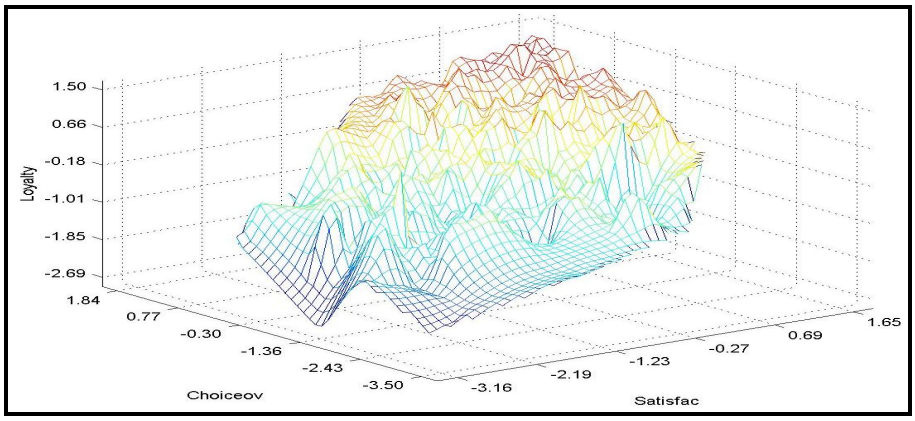
Note: Square roots of average variances extracted (AVEs) shown on diagonal.

All correlations significant at $p<0.001$

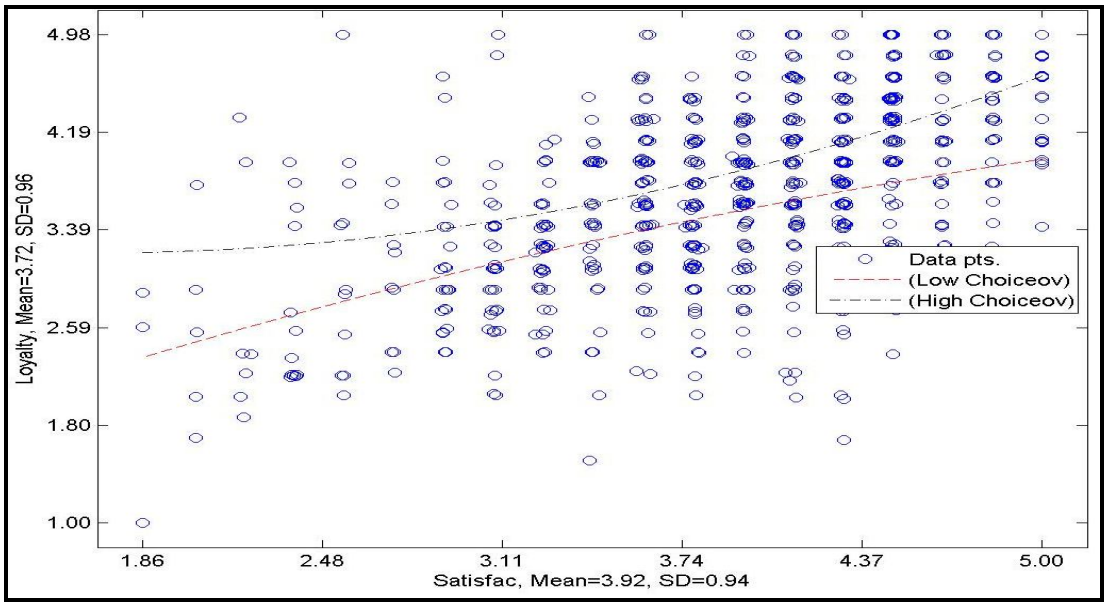
For confirming indicator significance and convergent validity P values associated with the loadings of the indicators should be lower than .05; and that the indicator loadings should be equal to or greater than 0.5; cross loadings should be less than 0.5. Combined loadings and cross-loadings were found more than 0.5 with corresponding p values less than 0.05. Hence the indicator significance and convergent validity of the proposed model was confirmed. Correlation among Latent Variableswere computed by calculating Square Roots of Average Variances Extracted (AVEs) and confirmed all correlations were significant at P value less than 0.001. As all values are within the acceptable range both validity and reliabilityof Customer Satisfaction Model – 2 with moderating effect of Choice Overload at multivariate level can be confirmed.

Plots Showing Moderating Effects of Choice Overload on Customer Satisfaction and Loyalty

This section analyzes how Choice Overload can curtail the Customer Satisfaction of Handloom/Khadi textile industries in Kerala from expected outcome loyalty. Hence it attempts to analyze the Moderating effects of Choice Overload on Customer satisfaction and Loyalty.



Graph-6.1: Rocky 3D for Moderating effect (Standardized scales)



Graph-6.2: Low-high values of moderating variable and data points (unstandardized scales)

Plots showing moderating effect of choice overload in the relation of satisfaction and loyalty indicate that in Kerala, among Khadi/Handloom customers, even when a high level of choice overload is experienced, loyalty steadily increases when satisfaction is increased. Hence it can be concluded that to make customer loyal even when choice overload prevails, the ultimate option is to develop satisfaction through focusing on causal attributes such as marketing practices i.e., 4 P's of marketing mix and brand image.

In Customer Satisfaction Model – 1 without moderation effect of Choice Overload shown in Diagram Loyalty got a beta value of 0.09. When comparing it with Customer Satisfaction Model – 2 with moderation effect of Choice Overload shown in Diagram the beta value of Loyalty is same as 0.09. Moreover beta value of relation between Choice Overload and Loyalty is .05 i.e., only 5 per cent which is not a significant one. All these substantiate that the moderating role of Choice Overload on Loyalty is weak. Plots showing moderating effects of Choice Overload in relation of Customer Satisfaction and Loyalty indicate that the Customer Satisfaction is not influenced by the Choice Overload of customers in creating loyalty.

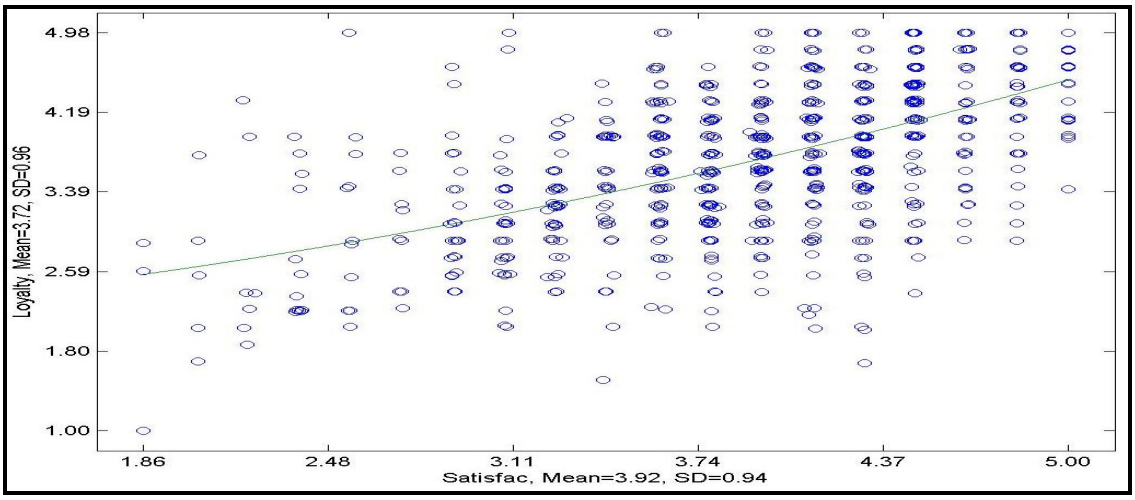
Testing of Hypothesis H6

In Customer Satisfaction Model – 1 without moderation effect of Choice Overload shown in Diagram Loyalty got a beta value of 0.09. When it is compared with Customer Satisfaction Model – 2 with moderation effect of Choice Overload shown in Diagram the beta value of Loyalty is same as 0.09. The path coefficient of choice overload moderates to satisfaction and loyalty is 0.05 i.e., only 5 per cent significance. That means moderation effect of choice overload is insignificant and the P value is equal to 0.10 and hence the hypothesis is not accepted. Every customer faces confusion from multiplicity of products available to satisfy the same need. Literature consider this problem as choice overload and has empirically proven its moderation effect on loyalty formation. Hence it was assumed in this research as a significant moderator. Here it is significant only at 0.1 level, the magnitude is very small and hence a conclusion can be drawn as prevailing choice overload to a great extent doesn't cause problems in sales of Khadi/Handloom textiles in Kerala.

It showed that the poor performance of Khadi/Handloom textile industries in Kerala is not the result of choice overload but due to their insufficient marketing practices i.e., in appropriate marketing mix and weak brand image.

Beta value of choice overload moderates to satisfaction and loyalty is 0.05 i.e., only 5 per cent significance. That means moderation effect of choice overload is insignificant and the P value is equal to 0.10. Hence hypothesis H6 that "**Choice Overload perceived by the customers moderates the relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala.**" Stands not accepted.

Plot Showing the Relation Between Satisfaction and Loyalty



Graph 6.3: Best-fitting curve-and data points for bivariate relationship (unstandardized scales)

Plots indicate that there is only a slight positive relation between satisfaction and loyalty. When satisfaction increases the loyalty of Khadi/Handloom customers in Kerala will also increase. It can be interpreted that if customer satisfaction is poor the efforts to enhance customer loyalty will not bring the desired result. Hence Handloom/Khadi textile industries in Kerala need to concentrate more in order to improve their marketing strategies by giving more attention to their marketing practices like product attributes, place characteristics, price affordability, promotional effectiveness and brand image.

6.6 Part – 5 Generated Model of Marketing Practices on Customer Satisfaction and Loyalty of Handloom and Khadi Industries in Kerala.

Based on the analysis of data collected (as performed in the last phase of Part – 4 of this chapter) the generated model exhibited below is different from the proposed research framework. It exposes impact of causal variables of marketing practices like product attributes, place characteristics, price affordability, promotional effectiveness and brand image on satisfaction and loyalty and its moderation effect choice overload. All negative relationships are represented with dotted lines in the below given figure.

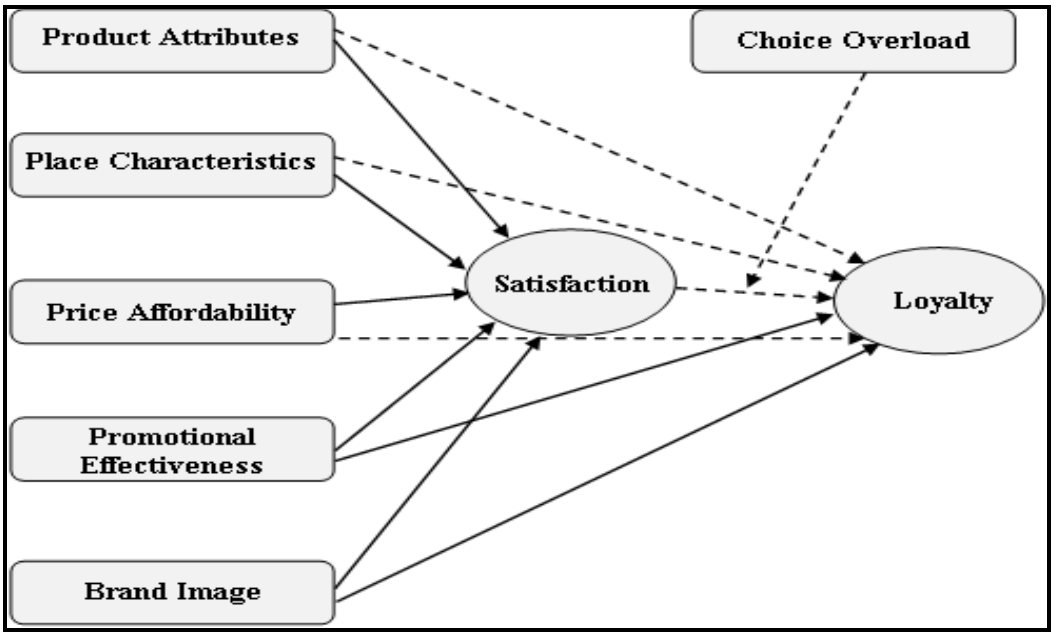


Figure-6.4: Generated Model of Marketing Practices on Customer Satisfaction and Loyalty ofHandloom and Khadi Industries in Kerala.

The generated model depicts the relationship between Product Attributes and Satisfaction and; the relationship between Product Attributes and Loyalty. The theoretical framework suggested that satisfaction will lead to loyalty in customers. In this study Product Attributes have a positive relationship to Satisfaction but negative relationship to Loyalty. That means Product Attributes of Handloom and Khadi industries in Kerala have failed to convert most of the satisfied customers into loyal ones. This is because there were six items under Product Attributes in which only three items, namely appearance, skin-friendly and eco-friendly scored a mean value more than 4. The remaining three items coming under product attributes, namely comfort to wear, durability and ease of maintenance of Khadi/Handloom textiles had scored low mean values. It showed that 28 per cent of product attributes i.e., the appearance and skin-friendly and eco-friendlynatureof Khadi/Handloom textiles contributes satisfaction in customers.Majority of the product attributes were not able to create loyalty in customers i.e., the customers were not willing to recommend or repurchase Khadi/Handloom textiles as they were not satisfied with the durability and ease of maintenance of Khadi/Handloom textiles.

Again generated model shows the relationship between Place Characteristics and Satisfaction; and the relationship betweenPlace Characteristics and Loyalty. The theoretical framework suggested that satisfaction in customers will become loyalty in customers. In this study customers have satisfied with only 17 per cent of Place Characteristics and most of the place characteristicshave a negative relationship to Loyalty. That means Place Characteristics of Handloom and Khadi industries in Kerala have failed to convert most of the satisfied customers into loyal ones. This is because there were six items under Place Characteristics in which only two items, namely layout of merchandise and cleanliness scored a mean value 4 and above. The remaining four items coming under Place Characteristics, namely internal facilities, parking facilities, location and working hours of Khadi/Handloom showrooms had scored low mean values. It showed that although the customers were satisfied with17 per cent place characteristics i.e., the layout of merchandise and cleanliness of Khadi/Handloom showrooms majority of the place characteristics were not able to create

loyalty in customers i.e., they were not willing to recommend or repurchase Khadi/Handloom textiles as they were not satisfied with the internal facilities, parking facilities, location and working hours of Khadi/Handloom showrooms.

Generated model next depicts the relationship between Price Affordabilityand Satisfaction and; the relationship between Price Affordability and Loyalty. The theoretical framework suggested that satisfaction in customers will become loyalty in customers. In this study only 24 per cent of Price Affordability contributes satisfaction in customers and majority of the price affordability attributes have a negative relationship to Loyalty. That means Price Affordability of Handloom and Khadi industries in Kerala have failed to create loyalty in satisfied customers. This is because there were six items under Price Affordability in which only two items, namely purchase of Khadi/Handloom gives value for money and availability of Khadi/Handloom in different price ranges scored a mean value above 4. The remaining four items coming under Price Affordability, namely economical price, affordable price, reasonable price and easy payment options of Khadi/Handloom textiles had scored low mean values. It showed that 24 per cent of price affordability i.e., the purchase of Khadi/Handloom gives value for money and availability of Khadi/Handloom in different price ranges create satisfaction in customers. Butmajority of the price affordability variables were not able to create loyalty in customers i.e., they were not willing to recommend or repurchase Khadi/Handloom textiles as they were not satisfied with the economical price, affordable price, reasonable price and easy payment options of Khadi/Handloom textiles.

Generated model then shows the relationship between Promotional Effectiveness and Satisfaction; and the relationship between Promotional Effectiveness and Loyalty. The theoretical framework suggested that loyal customers were satisfied customers. In this study Promotional Effectiveness have more positively related to Loyalty than related to Satisfaction. In other words, Promotional Effectiveness have got a low positive relationship to satisfaction but high positive relationship to loyalty.That means Promotional Effectiveness of Handloom and Khadi industries in Kerala have failed to develop satisfaction in most of the loyal customers. It also depicts that although 44 per cent of the Promotional Effectiveness creates loyalty in customers majority of the Promotional Effectiveness were not able to contribute satisfaction in loyal customersof Handloom and Khadi industries in Kerala. This is because there were six items under Promotional Effectiveness in which only one item, namely attractive discounts/rebate scored a mean value above 4. The remaining five items coming under Promotional Effectiveness, namely radio advertisements, display, newspaper advertisements, hoardings and exhibition/melas of Khadi/Handloom had scored low mean values. It showed that about 44 per cent of the PromotionalEffectivenesscreate loyalty in customers i.e., they were willing to recommend or repurchase Khadi/Handloom textiles on discounts/rebate period although majority of the Promotional Effectiveness namely radio advertisements, display, newspaper advertisements, hoardings and exhibition/melas of Handloom and Khadi industries in Kerala were not able to contribute satisfaction in customers.

Generated model again depicts the relationship between Brand Image and Satisfaction; and the relationship between Brand Image and Loyalty. The theoretical framework suggested that loyal customers were satisfied customers. In this study Brand Image have more positively related to Loyalty than related to Satisfaction. In other words, Brand Image have got a low positive relationship to satisfaction but high positive relationship to loyalty. That means Brand Image of Handloom and Khadi industries in Kerala have failed to develop satisfaction in most of the loyal customers. It means that although 20 per cent of the Brand Image creates loyalty in customers' majority of the Brand Image related attributes were not able to contribute satisfactionin customers of Handloom and Khadi industries in Kerala. This is because there were six items under Brand Image in which only three items, namely employment generation capacity, reliable brand name and increase status in the society scored a mean value above 4. The remaining three items coming under Brand Image, namely appearance of Khadi/Handloom showrooms, distinguishable personality and protecting traditional values had scored low mean values. It showed that about 20 per cent of the Brand Image creates loyalty in customers i.e., they were willing to recommend or repurchase Khadi/Handloom textiles due to its employment generation capacity, reliable brand name and increase status in the society. But majority of the Brand Image related attributesnamely appearance of Khadi/Handloom showrooms, distinguishable personality and protecting traditional values were not able to contribute satisfaction in customers.

The generated model depicts the relationship between satisfaction and loyalty. The theoretical framework suggested that satisfied customers will become loyal customers. In this study satisfaction have got negative relationship to loyalty. That means Handloom and Khadi industries in Kerala have failed to convert satisfied customers into loyal ones. This is mainly because product attributes, place characteristics and price affordability have got a negative relationship to loyalty.

The generated model also shows the moderating effect of choice overload on satisfaction and loyalty. The theoretical model suggested that choice overload will prevent satisfied customers to become loyal ones. In this study choice overload have got a negative relationship to satisfaction and loyalty. That means choice overload of Handloom and Khadi customers have not preventsatisfied customers to become loyal ones.In other words, Handloom and Khadi textile customers in Kerala were unaware about the substitutes.

Hence, in this studygenerated model showed that the poor performance of Handloom and Khadi industries in Kerala is due to its inefficient marketing practices i.e., inappropriate marketing mix and insufficient brand image strategies rather than customers' choice overload (i.e., confusion from substitutes).

As per the generated model following strategies can be adopted to achieve favourable perception and satisfaction in customers of Handloom and Khadi textile industries in Kerala:

- More concentration should be given towards product attributes like appearance, skin friendly and eco-friendly to increase satisfaction among customers.
- More care should be given to product attribute related strategies like variety, durability and ease of maintenance of Handloom and Khadi textiles to create loyalty among customers.
- More concentration should be given to place characteristics like cleanliness and layout of merchandise of Khadi/Handloom showrooms to increase satisfaction among customers.
- More concentration should be given to place related strategies like internal facilities, parking facilities, working hours and location of Khadi/Handloom showrooms in Kerala to create loyalty among customers.
- More attention should be given to price affordability indicators like availability in different price ranges and purchase gives value for money to generate more satisfaction among Khadi/Handloom textile customers.
- More attention should be given to price affordability related strategies like reasonable price, economical price and easy payment options of Khadi/Handloom industries in Kerala to create loyalty among customers.
- More attention is required for promotional measures like reforming the system of discounts/rebate to generate more satisfaction among Khadi/Handloom textile customers in Kerala.
- More attention is required for promotional measures like radio advertisements, newspaper advertisements, hoardings, exhibition/melas and display of Khadi/Handloom showrooms in Kerala to retain and to create more loyalty among customers.
- More attention is required for Brand Image related measures like brand name of Khadi/Handloom is a reliable one, employment generation capacity and increase status in the society to generate more satisfaction among Khadi/Handloom textile customers in Kerala.
- More attention should be given to improve the appearance of Khadi/Handloom showrooms pleasant, Khadi/Handloom clothes gives a distinguishable personality and by adding value to the Khadi and Handloom textiles to create more loyalty among customers.

6.7 Part – 6 Modified Model of Marketing Practices to Improve Customer Satisfaction and Loyaltyof Handloom and Khadi Industries in Kerala.

Below exhibited is a modified model of marketing practices to improve customer satisfaction and loyalty of Handloom and Khadi industries in Kerala. It exposes a linkage between Promotional Effectiveness and Brand Image.

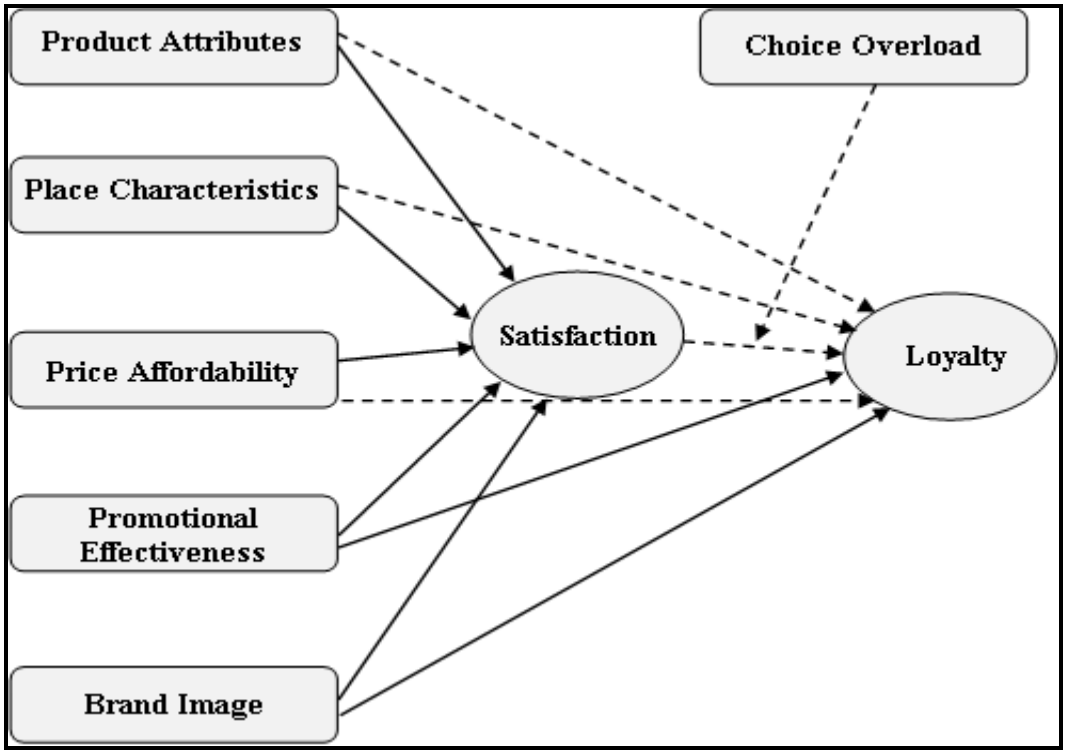


Figure-6.5: Modified Model of Marketing Practices to improve Customer Satisfaction and Loyalty of Handloom and Khadi industries in Kerala

Based on the analysis of data collected the result of hypothesis H4b indicates that 44 percent Promotional Effectiveness create loyalty in customers which is only because of the single attribute attractive discounts/rebate and hypothesis H5b indicates that 20 percent of the Brand Image create loyalty in customers. This indicate that, though Promotional Effectiveness leads to loyalty, by offering more discounts/rebate may not be a feasible solution for Handloom and Khadi industries in Kerala to sustain in the market. Therefore, it is advisable to use the attributes of Brand Image in promotional activities effectively to generate more loyalty. Handloom and Khadi industries in Kerala have to create awareness among the customers about the leading factors in Brand Image such as giving high weightage to traditional values, stressing more importance to appearance factor, then Khadi/Handloom clothes develops a distinguishable personality, increase status in the society and moreover brand name of Khadi/Handloom is a reliable one. The impact of the linkage between Promotional Effectiveness and Brand Image is that the significance of Brand Image on loyalty will increase and the importance of discount/rebate attribute of Promotional Effectiveness on loyalty will decrease. It means that Brand Image of Khadi/Handloom will induce customers to repurchase or recommend Khadi/Handloom textiles rather than giving discounts/rebate.

6.8 Summary

This chapter presents the analysis and detailed elucidation of the results of the primary data collected through survey method. The study analyzes the Marketing Practices of Handloom and Khadi Industries in Kerala and attempts to develop and evaluate a model for the Customer Satisfaction of Handloom and Khadi Industries in Kerala. For this purpose, primary data has been collected from 960 customers and obtained 828 valid responses after draining out 127 missing values and 5 outliers. Stratified sampling method has been used for collecting the primary data and the data were collected by administering pre-tested structured schedules. There were 47 statements in the administered customer schedule. Five Point Scale has been used to mark the responses in the schedule.

In this chapter, 6.1.1 mentions the prevailing marketing practices in Handloom and Khadi textile industries in Kerala. 6.1.2 deals with the variables identified to assess the perception and satisfaction of customers towards marketing mix and brand image of Handloom and Khadi textile industries in Kerala. For the analysis of theoretical model and detailed explanation of the results of the primary data collected, this chapter has been divided into 6 parts. Part – 1 (A) deals with the analysis of the quality (i.e., sample size adequacy, missing value verification, outlier identification, normality analysis, multicollinearity analysis, randomness of data and data independence analysis) of primary data collected from the customers of Handloom and Khadi textile Industries in Kerala. It has been done using various statistical tools. Part – 1 (B) deals with validity and reliability analysis of scale developed by the researcher. Part -2 presents the demographic profile of the customers. It has been assessed using percentage analysis. Part -3 explains the relationship of demographic variables with marketing practices and customer satisfaction and loyalty and its moderating effect choice overload. It has been analyzed using t- Test, MANOVA and One-Way ANOVA. Part – 4 presents the analysis of theoretical model of Marketing Practices on Customer Satisfaction and Loyalty Dimensions. It has been done in three stages: a) Framing Theoretical Model b) Assumptions lead to Hypotheses Formulation and c) Validation of Proposed Model of Marketing Practices and its influence on Customer Satisfaction and Loyalty. Validation of the proposed model of marketing practices and its influence on customer satisfaction and loyalty has been performed using Structured Equation Modeling (SEM). This part has been presented in two phases. In the initial phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 1 without moderation effect of choice overload has been carried out. In the later phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 2 with moderation effect of choice overload has been executed. Part – 5 exhibits a generated model of Marketing Practices on customer satisfaction and loyalty of Handloom and Khadi industries in Kerala based on the analysis of data collected and substantiated and also suggests strategies to achieve favourable perception and satisfaction in customers of Handloom and Khadi textile industries in Kerala which in turn creates customer loyalty . Finally, Part – 6 exhibits a modified model of Marketing Practices which explains the strategies to improve Customer Satisfaction and Loyalty of Handloom and Khadi industries in Kerala.In the next chapter Summary of Findings, Conclusion, Suggestions and Managerial Implications of the study has been incorporated.

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Chapter 7

FINDINGS, CONCLUSION AND SUGGESTIONS

Contents

7.1 Introduction
7.2 Summary of Findings of the Study
7.3 Conclusion
7.4 Suggestions
7.5 Managerial Implications
7.6 Future Research Directions

7.1 Introduction

Khadi and Handloom sector plays a very important role in the country's economy. The Handloom Sector in Kerala stands second to the coir sector in providing employment among the traditional industries of the State. Khadi and Handloom Industries play a substantial role in generating employment in rural areas with minimum investment. These industries use eco-friendly, local resources and generating higher employment opportunities.

At the present scenario of changing and trend emerging competitive market, the base of an organization's marketing practices and strategies is to make profit and contribute to the growth of economy. Customer is the main focus of the nation's economic cycle as other developmental activities centre around him. In a competitive economy, it is the customer who decides the success or failure of a business either by buying or not buying the product (P. Sivaprakasam& S. Rajamohan, 2001).The customer will buy products from the trustable marketers.

Management in modern times has evolved from a production oriented to sales oriented and then marketing oriented view of business. In this context, marketing becomes relevant to a country like India in the same way, as it is relevant to highly industrialized and affluent countries. For many products, India has already reached a stage, where the problem is not of supplies, but of marketing advocates. The marketing concept advocates a careful planning and implementation of marketing activities with particular focus on customer satisfaction. Customer satisfaction towards marketing mix and brand image have been recognized as crucial players for the success and survival of an industry in today's competitive market. As many industry sectors mature, competitive advantage through right marketing mix and brand image are important weapons in business survival. Now-a-days no organization can exist and cannot meet competition without sufficient marketing practices.

Customer Satisfaction is the most important asset because satisfied customers are more likely to return and also to recommend others. It is very likely that an effort to explore marketing practices and its role in developing customer satisfaction and creating loyalty among customers of Handloom/Khadi industries will present a new insight and which will be useful to entire Handloom and Khadi industries. The development of sufficient marketing practices in Handloom and Khadi industries in Kerala are essential for ensuring customer satisfaction and loyalty. Consequently how better or successfully Marketing Practices may be implemented for better customer satisfaction and loyalty on Handloom and Khadi industries in Kerala demands close attention.

Compare to many other states in India, Kerala is blessed with diversity of Handloom and Khadi textile products. But many other states with even less resources have defeated Kerala by applying successful marketing strategies for fostering customer satisfaction and loyalty. More effective application of marketing practices can bring more fruitful results as it will breed satisfaction among customers which in turn can bring more customer retention. Hence this study attempts to explore various marketing practices and its impact on customer satisfaction and loyalty of Handloom and Khadi Industries in Kerala.

The literature gap also supports the need to conduct a study on marketing practices in Handloom and Khadi industries in Kerala. Hence it is likely that this research study will provide to append to the perception of customers about marketing practices in Handloom and Khadi industries in Kerala. This research study entitled "*A Study on Marketing Practices in Handloom and Khadi Industries in Kerala"* intended to explore the existing practices and issues in the marketing practices of Kerala Handloom and Khadi industries and aimed to provide suggestions for further development. The following were the objectives of the study:

1) To explore the prevailing marketing practices of Khadi and Handloom textiles in Kerala.
2) To identify the variables to assess the perception and satisfaction of customers towards the marketing mix and brand image of Khadi and Handloom textiles in Kerala.
3) To develop a valid and reliable scales to measure the variables of interest of customers of Khadi and Handloom textile Industries in Kerala.
4) To develop and analyze a theoretical model demonstrating the linkage between the variables identified to cause the satisfaction and loyalty of customers of Khadi and Handloom textile industries in Kerala.
5) To suggest strategies to impart favourable perception and satisfaction in customers of Khadi and Handloom textile industries in Kerala.

Based on the objectives of the study the following hypotheses have been laid out:

H1a: There exists significant relationship between Product Attributes and Satisfaction of Khadi/Handloom customers in Kerala.

H1b: There exists significant relationship between Product Attributes and Loyalty of Khadi/Handloom customers in Kerala.

H2a: There exists significant relationship between Place Characteristics and Satisfaction of Khadi/Handloom customers in Kerala.

H2b: There exists significant relationship between Place Characteristics and Loyalty of Khadi/Handloom customers in Kerala.

H3a: There exists significant relationship between Price Affordability and Satisfaction of Khadi/Handloom customers in Kerala.

H3b: There exists significant relationship between Price Affordability and Loyalty of Khadi/Handloom customers in Kerala.

H4a: There exists significant relationship between Promotional Effectiveness and Satisfaction Khadi/Handloom customers in Kerala.

H4b: There exists significant relationship between Promotional Effectiveness and Loyalty of Khadi/Handloom customers in Kerala.

H5a: There exists significant relationship between Brand Image and Satisfaction of Khadi/Handloom customers in Kerala.

H5b: There exists significant relationship between Brand Image and Loyalty of Khadi/Handloom customers in Kerala.

H6: Choice Overload perceived by the customers moderates the relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala.

H7: There exists significant relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala.

H8: There is significant difference in perceptions among respondents towards variables on the basis of Gender

H9: There is significant difference in perceptions among respondents towards variables on the basis of their Area of Domicile

H10: There is significant difference in perceptions among respondents towards variables on the basis of their Age

H11: There is significant difference in perceptions among respondents towards variables on the basis of their Education Level

H12: There is significant difference in perceptions among respondents towards variables on the basis of their Work Experience

H13: There is significant difference in perceptions among respondents towards variables on the basis of their Income Level

H14: There is significant difference in perceptions among respondents towards variables on the basis of their Nature of Work

H15: There is significant difference in perceptions among respondents towards variables on the basis of their reasons behind visiting Khadi/Handloom Showroom

H16: There is significant difference in perception among respondents towards satisfaction as well as loyalty on the basis of their different length of usage of Khadi/Handloom

The following were the research methodology used for the study.

The study involved the collection of primary and secondary data. Keeping in view of the objectives, the primary data was collected.Primary data is collected by administering a pre-tested Structured Schedules to the Customers of Khadi/Handloom textile industries in Kerala.Secondary data has been gathered from journals, publications, newspapers, magazines, books, brochures, dissertations, data from published financial statements, periodicals, articles, theses, from various websites etc. While a random sample of customers drawn from a population of all purchasers would have been ideal, a method of sampling has been adopted in this study represents the population fairly. Stratified Random Sampling is used for selecting the sample. A total sample size of 960 customers were obtained in this study using stratified random sampling. Data analysis has been done using 828 valid responses. Data analysishas been done as follows.In the data analysis chapter, 6.1.1 mentions the prevailing marketing practices in Handloom and Khadi textile industries in Kerala. 6.1.2 deals with the variables identified to assess the perception and satisfaction of customers towards marketing mix and brand image of Handloom and Khadi textile industries in Kerala. For the analysis of theoretical model and detailed explanation of the results of the primary data collected, data analysis has been divided into 6 parts. Part – 1 (A) deals with the analysis of the quality (i.e., sample size adequacy, missing value verification, outlier identification, normality analysis, multicollinearity analysis, randomness of data and data independence analysis) of primary data collected from the customers of Handloom and Khadi textile Industries in Kerala. It has been done using various statistical tools. Part – 1 (B) deals with validity and reliability analysis of scale developed by the researcher. Part -2 presents the demographic profile of the customers. It has been assessed using percentage analysis. Part -3 explains the relationship of demographic variables with marketing practices and customer satisfaction and loyalty and its moderating effect choice overload. It has been analyzed using t- Test, MANOVA and One-Way ANOVA. Part – 4 presents the analysis of theoretical model of Marketing Practices on Customer Satisfaction and Loyalty Dimensions. It has been done in three stages: a) Framing Theoretical Model b) Assumptions lead to Hypotheses Formulation and c) Validation of Proposed Model of Marketing Practices and its influence on Customer Satisfaction and Loyalty. Validation of the proposed model of marketing practices and its influence on customer satisfaction and loyalty has been performed using Structured Equation Modeling (SEM). This part has been presented in two phases. In the initial phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 1 without moderation effect of choice overload has been carried out. In the later phase Validation of Marketing Practices and its influence on Customer Satisfaction and Loyalty Model – 2 with moderation effect of choice overload has been executed. Part – 5 exhibits a generated model of Marketing Practices on customer satisfaction and loyalty of Handloom and Khadi industries in Kerala based on the analysis of data collected and substantiated and also suggests strategies to achieve favourable perception and satisfaction in customers of Handloom and Khadi textile industries in Kerala which in turn creates customer loyalty.Finally, Part – 6 exhibits a modified model of Marketing Practices which explains the strategies to improve Customer Satisfaction and Loyalty of Handloom and Khadi industries in Kerala.

7.2 Summary of Findings of the Study

The key findings of the study have been summarized in the following sub headings.

7.2.1 Findings on Demographic Profile of the Respondents

The summary of demographic profile of the respondents was listed below:

- Out of 828 valid responses 489 were males and 339 were females. This shows that 59.1 per cent of the respondents were males and 40.9 per cent were females. Hence it is obvious that more respondents are male.
- Out of 828 valid responses 257 Khadi/Handloom Customers come under the age category below 25 years; 288 Khadi/Handloom Customers belong to the category 25 to 40 years and 283 Khadi/Handloom Customers belong to the category of above 40 years. This shows that 31.0 per cent of the respondents come under the age category below 25 years, 34.8 per cent of the respondents come under the age category 25 to 40 years and the remaining 34.2 per cent of the respondents come under the age category above 40 years. Hence it is indicated that more respondents belong to the age category 25 to 40 years.

- Out of 828 valid responses272 Khadi/Handloom customers belong to Panchayat, 278 Khadi/Handloom customers belong to Municipality and the other 278 Khadi/Handloom customers belong to Corporation. This shows that about 32.9 per cent of the respondents belong to Panchayat, 33.6 per cent belong to Municipality and the remaining 33.6 per cent belong to Corporation.
- Out of 828 valid responses 269 Khadi/Handloom customers have work experience less than 3 Years, 271 Khadi/Handloom customers have work experience of 3 to 8 Years and the other 288 Khadi/Handloom customers have work experience of above 8 years. This shows that about 32.5 per cent of the respondents have work experience less than 3 Years, 32.7 per cent have work experience 3 to 8 Years and the remaining 34.8 per cent have work experience above 8 years.
- Out of 828 valid responses 293 Khadi/Handloom customers work under Public Sector, 280 Khadi/Handloom customers work under Private Sector and 255 Khadi/Handloom customers were Self Employed. This shows that about 35.4 per cent of the respondents work under Public Sector, 33.8 per cent work under Private Sector and the remaining 30.8 per cent were Self Employed. Hence it indicates that majority of the respondents work under Public sector.
- Out of 828 valid responses 193 Khadi/Handloom customers were Matriculate, 205 Khadi/Handloom customers were Graduates, 211 Khadi/Handloom customers were Post Graduates and 219 Khadi/Handloom customers were Professionals. This shows that about 23.3 per cent of the respondents were Matriculate, 24.8 per cent were Graduates, 25.5 were Post Graduates and the remaining 26.4 per cent were Professionals. Thus it seems that major part of the respondents are Professionals.
- Out of 828 valid responses 216 Khadi/Handloom customers were having annual income below 1.5 Lakhs, 200 Khadi/Handloom customers were having annual income between 1.5 Lakh to 3 Lakhs, 225 Khadi/Handloom customers were having annual income between 3 Lakhs to 5 Lakhs and 187 Khadi/Handloom customers were having annual income above 5 Lakhs. This shows that about 26.1 per cent of the respondents were having annual income below 1.5 Lakhs, 24.2 per cent were having annual income between 1.5 Lakhs to 3 Lakhs, 27.2 per cent were having annual income between 3 Lakhs to 5 Lakhs and the remaining 22.6 per centwere having annual income above 5 Lakhs. Thus it seems that major part of the customers under study were having annual income between 3 Lakhs to 5 Lakhs.
- Out of 828 valid responses 201 Khadi/Handloom customers were visiting Khadi/Handloom textile showrooms due to the influence of Friends and Relatives, 205 Khadi/Handloom customers were due to Advertisements, 215 Khadi/Handloom customers were due to Offers and Discounts and 207 Khadi/Handloom customers were due to Exhibitions. This shows that about 24.3 per cent of the respondents were visiting Khadi/Handloom textile showrooms due to the influence of Friends and Relatives, 24.8 per cent were due to Advertisements, 26.0 per cent were due to Offers and Discounts and the remaining 25.0 per cent were due to Exhibitions. Thus it seems that majority of the customers under study were visiting Khadi/Handloom textile showrooms due to Discounts/Offers and Exhibitions.
- Out of 828 valid responses 288 Khadi/Handloom customers' Length of Usage of Khadi/Handloom textiles were Less than 4 Years, 283 Khadi/Handloom customers' Length of Usage were 4 to 5 Years and 257 Khadi/Handloom customers' Length of Usage were above 5 Years. This shows that about 34.8 per cent of the respondents Length of Usage of Khadi/Handloom textiles were Less than 4 Years, 34.2 per cent were 4 to 5 Years and the remaining 31.0 per cent were above 5 Years. Thus it seems that majority of the customers under study were having Length of Usage of Khadi/Handloom textiles Less than 4 Years. Hence it can be concluded that Khadi/Handloom Industries in Kerala have failed to retain majority of the customers successfully.

7.2.2 Findings on the Relationship of Demographic Variables with Marketing Practices and Customer Satisfaction and Loyalty and Its Moderating Effect Choice Overload.

In order to analyze the relationships between demographic variables with Customer Satisfaction and Loyalty and its moderating effect Choice Overload of the customers on the basis of demographic variables like gender, area of domicile, age, education level, work experience, income level, nature of work, reason of visit and length of usage of Khadi/Handloom Customers were considered. Following are the findings of the analysis:

- Both male and female customers of Khadi/Handloom Industries in Kerala is having similar perception regarding the impact of marketing practices such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload.
- The customers of Khadi/Handloom Industries in Kerala belongs to Panchayat, Municipality and Corporation is having similar perception regarding the impact of marketing practices such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload irrespective of their area od domicile.
- The customers of Khadi/Handloom Industries in Kerala belongs to all age groups are having similar perception regarding the impact of marketing practices such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload. There is no perceptional gap regarding the impact.
- The customers of Khadi/Handloom Industries in Kerala belongs to Education Level Matriculate are having difference in perceptionstronger than Professionals regarding the impact of causal attribute Brand Image on Loyalty. All others i.e., graduate and post graduate customers of Khadi/Handloom are having similar perception regarding the impact of marketing practices such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload.
- The customers of Khadi/Handloom Industries in Kerala having work experience between 3 to 8 years are having difference in perception stronger than having Work Experience more than 8 years regarding the impact of marketing practices on the moderating effect Choice Overload. Those customers who are having work experience below 3 years are having similar perception regarding the impact of marketing practices such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload.
- The customers of Khadi/Handloom Industries in Kerala belongs to annual Income Level below 1.5L are having difference in perception stronger than annual income above 5L regarding the impact of marketing practice Product Attribute on Customer Satisfaction. Again the customers of Khadi/Handloom Industries in Kerala belongs to annual Income Level below 1.5L are having difference in perception stronger than annual income between 3L to 5L regarding the impact of marketing practice Promotional Effectiveness on Customer Satisfaction.
- The customers of Khadi/Handloom Industries in Kerala based on all nature of work i.e., customer belongs to Public sector, Private Sector and Self-Employed are having similar perception regarding the impact of marketing practices such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload.
- The customers of Khadi/Handloom Industries in Kerala based on their reason behind visiting Khadi/Handloom showroom are having similar perception regarding the impact of marketing practices such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image on Customer Satisfaction and Loyalty and its moderating effect Choice Overload. Here reason behind visiting Khadi/Handloom showroom were influence of friends and relatives, advertisements, exhibitions and offers and discounts.
- The study showed that as length of association increases retention of Khadi/Handloom customers were reduced. That means the effort of Khadi/Handloom in Kerala is failed to retain its most of the customers. This may be due to their insufficient marketing practices.

7.2.3 Findings of Validation of Proposed Model of Marketing Practices and its influence on Customer Satisfaction and Loyalty

The influence of each causal variables i.e., marketing practices such as Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image is considerable in creating customer satisfaction of Khadi/Handloom industries in Kerala. However, Product Attribute is showing stronger with a Beta value of 0.28 which means product has the highest marketing practice or causal variable influence in developing customer satisfaction in Khadi/Handloom industries in Kerala. Again it can be understood that if the product offered is poor the efforts by the Khadi/Handloom industries in Kerala to market it and to enhance customer satisfaction will not bring desired result. Place Characteristics with a Beta value of 0.17 is the least influential marketing practice in developing customer satisfaction in Khadi/Handloom industries in Kerala. The results suggests that the significance of place characteristics in creating customer satisfaction is very low. Hence more concentration should be given to place characteristics like cleanliness of Khadi/Handloom showrooms, lay out of merchandise, internal facilities, parking facilities, working hours and location of Khadi/Handloom showrooms to create more satisfaction among customers.

7.2.4 Scale Developed to Measure the Influence of Marketing Practices on Customer Perception/Satisfaction and Loyalty in Handloom and Khadi Industries in Kerala

Following table 7.1 mentions five point scale items developed to measure the influence of marketing practices on customer perception/satisfaction and loyalty in Handloom and Khadi textile industries in Kerala.

Table-7.1: Developed Scale to Measure the Influence of Marketing Practices on Customer Perception/Satisfaction and Loyalty

	SCALE ITEMS
PRODUCT (6)	
1	Khadi/Handloom clothes are skin-friendly.
2	Khadi/Handloom clothes are durable.
3	Khadi/Handloom clothes are comfort to wear.
4	Khadi/Handloom clothes are eco- friendly.
5	Variety of Khadi/Handloom clothes is good.
6	Khadi/Handloom clothes are easy to maintain.
PRICE (6)	
1	The price of the Khadi/Handloom cloth is economical.
2	Easy payment options are available in Khadi/Handloom showrooms.
3	The price of the Khadi/Handloom cloth is reasonable.
4	Purchase of Khadi/Handloom clothes gives value for money.
5	Price of the Khadi/Handloom clothes is affordable.
6	Khadi/Handloom clothes are available in different price ranges.
PLACE (6)	
1	Cleanliness of Khadi/Handloom showrooms is excellent.
2	The Internal facilities in Khadi/Handloom showrooms are helpful in making selection of clothes.
3	Layout of merchandise of Khadi/Handloom showrooms is excellent.
4	Parking facilities of Khadi/Handloom showrooms are sufficient.
5	Khadi/Handloom Showrooms are conveniently located.
6	Working Hours of Khadi/Handloom showrooms are acceptable.
PROMOTION (6)	
1	Newspaper Advertisements of Khadi/Handloom are visible.
2	Display of Khadi/Handloom showrooms is attractive.
3	Radio Advertisements of Khadi/Handloom are informative.
4	Khadi/Handloom clothes offer attractive discounts/rebate.
5	Khadi/Handloom Exhibitions/Melas to promote the sales are good.
6	Hoardings of Khadi/Handloom are attractive.

BRAND IMAGE (6)	
1	The contribution of Khadi/Handloom for employment generation is remarkable.
2	The brand name of Khadi/Handloom is a reliable one.
3	The appearance of Khadi/Handloom showrooms is Pleasant.
4	Khadi/Handloom clothes give me a distinguishable personality.
5	Khadi/Handloom clothes increase my status in the society.
6	Khadi/Handloom clothes help in protecting our traditional values.
SATISFACTION (6)	
1	Every time I got the right thing I wanted to get from Khadi/Handloom showroom.
2	I am happy with my decision to purchase Khadi/Handloom clothes.
3	My choice to use Khadi/Handloom clothes is a wise one.
4	I am satisfied with the promotional activities of Khadi/Handloom.
5	Khadi/Handloom clothes satisfy my needs in an excellent manner.
6	I am happy to use Khadi/Handloom clothes regularly.
LOYALTY (6)	
1	Whenever I buy clothes I will repeatedly purchase the brand Khadi/ Handloom.
2	I'll buy Khadi/Handloom clothes even if the price changes.
3	I consider Khadi/Handloom clothes as my first choice.
4	I intend to continue using Khadi/Handloom clothes in the future.
5	I'm willing to recommend Khadi/Handloom clothes to others.
6	I'll purchase Khadi/Handloom clothes even if discounts/rebate is not offered.
CHOICE OVERLOAD (5)	
1	I always depend on my friends and relatives to make a decision.
2	I take more time to make a decision when options are plenty.
3	When confused to take a decision I feel tensed.
4	Wide choice normally confuses me.
5	I normally get confused while shopping clothes when I see multiple options.

Table 7.1 Continued…

In the scale items as shown in table 7.1, Perception/Satisfaction of customers have been measured on a Five Point Scale for five dimensions of Customer Satisfaction namely, Product Attributes, Place Characteristics, Price Affordability, Promotional Effectiveness and Brand Image which were the marketing practices considered in this study. The five dimensions of Customer Satisfaction have been represented by thirty statements, with at least six statements representing each dimension. Six statements each were there for measuring perception regarding satisfaction and loyalty. Another variable named Choice Overload has been included in the Schedule with five statements. All together there were forty seven statements or scale items in the Schedule for customers.

7.2.5 The major findings of Marketing Practices and its influence on Customer Satisfaction and LoyaltyModel – 1 without Moderation Effect can be summarized as follows:

- The model analyses the relation between Product Attributes and Customer Satisfaction. It appraises the degree of influence of Product Attributes on building Customer Satisfaction. The model showed that there is a positive relation between Product Attributes and Customer Satisfaction. The effect of Product Attributeson Customer Satisfaction is 28per cent. So more concentration should be given towards product attributes like appearance, skin friendly and eco-friendly to increase satisfactionamong customers.
- The study analyses the relation between Product Attributes and Loyalty. It appraises the degree of influence of Product Attributes of Khadi/Handloom industries in Kerala on building Loyalty among customers. The impact of product attribute on loyalty is 8per cent and the P value is .04. It showed that Product Attribute related strategies of Khadi/Handloom industries in Kerala have failed to create loyalty among customers. So more care should be given to Product Attribute related strategies like variety, durability and ease of maintenance of Handloom and Khadi textiles to create loyalty among customers.

- The study analysis the degree of influence of Place Characteristics on building Customer Satisfaction. The model showed that there isa positive relation between Customer Satisfaction and Place Characteristics. The effect of place characteristics on customer satisfaction is 17per cent. That means only 17per cent place characteristics contribute customer satisfaction. The significance of place characteristics in creating customer satisfaction is very low. Hence more concentration should be given to place characteristics like cleanliness and layout of merchandise of Khadi/Handloom showrooms to increase satisfaction among customers.
- The model analyzed the degree of influence of Place Characteristics of Khadi/Handloom industries in Kerala on building Loyalty among customers. The model showed a negative relationship between Place Characteristics and Loyalty. The impact of place characteristics on building loyalty is 1per cent. That means place characteristics of Khadi/Handloom textiles in Kerala have failed to create loyalty among customers. So more concentration should be given to Place related strategies like internal facilities, parking facilities, working hours and location of Khadi/Handloom showrooms in Kerala to create loyalty among customers.
- The model analyzed the degree of influence of Price Affordability on building Customer Satisfaction. The model indicates that there is a positive relation between Customer Satisfaction and Price Affordability. The effect of price affordability on customer satisfaction is 24 per cent. When the Price Affordability related strategies increases Customer Satisfaction will also increase. It means that only 24 per cent Price Affordability contribute customer satisfaction. The significance of Price Affordability in creating customer satisfaction is very less. Hence more attention should be given to price affordability indicators like availability in different price ranges and purchase gives value for money to generate more satisfaction among Khadi/Handloom textile customers.
- The study analyzed the relation between Price Affordability and Loyalty. It appraised the degree of influence of Price Affordability of Khadi/Handloom industries in Kerala on building Loyalty among customers. The modelshoweda negative relationship between Price Affordability and Loyalty. The impact of Price Affordability on Loyaltyis 6 per cent and the P value is .06. It showed that Price Affordability of Khadi/Handloom textiles in Kerala was not able to create Loyalty among customers. So more attention should be given to Price Affordability related strategies like reasonable price, economical price and easy payment options of Khadi/Handloom industries in Kerala to create loyalty among customers.
- The study analyzed the relation between Customer Satisfaction and Promotional Effectiveness. It appraised the degree of influence of Promotional Effectiveness on building Customer Satisfaction. The model indicated that there is a positive relation between Customer Satisfaction and Promotional Effectiveness.The impact of Promotional Effectiveness on Customer Satisfaction is 12 per cent. When the Promotional Effectiveness related strategies increases Customer Satisfaction will also increase. It showed that only 12 per cent Promotional Effectiveness contribute Customer Satisfaction. The significance of Promotional Effectiveness in creating customer satisfaction is very low. Hence more attention is required for promotional measures like reforming the system of discounts/rebate to generate more satisfaction among Khadi/Handloom textile customers in Kerala.
- The study analyzed the relation between Promotional Effectiveness and Loyalty. It appraised the degree of influence of Promotional Effectiveness of Khadi/Handloom industries in Kerala on building Loyalty among customers. The model indicated a positive relation between Promotional Effectiveness and Loyalty. The significance of Promotional Effectiveness to Loyalty is 44 per cent. It showed that promotional effectiveness contributes more to create loyalty in customers than creating customer satisfaction. In other words, promotional effectiveness of Khadi/Handloom is more significantly related to loyalty than related to satisfaction. This is because during seasonal rebate/discount customers purchase more in order to avail the advantage of special offers. Even if the customers are not that much satisfied with radio advertisements, display, newspaper advertisements, hoardings and exhibition/melas they purchase more during the seasonal discounts/rebate. Here customers show more interest towards the promotional measure like attractive discounts/rebate of Khadi/Handloom textiles in Kerala. Hence more attention is required for promotional measures like radio advertisements, newspaper

advertisements, hoardings, exhibition/melas and display of Khadi/Handloom showrooms in Kerala to retain and to create more loyalty among customers.

- The study analyzed the relation between Customer Satisfaction and Brand Image. It appraised the degree of influence of Brand Image on building Customer Satisfaction. The model indicated that there is a positive relation between Customer Satisfaction and Brand Image. When the Brand Image related strategies increases Customer Satisfaction will also increase. The impact of brand image on satisfaction is 14 per cent. It means that brand image had only 14per cent significance in creating customer satisfaction. That means it is not that much sufficient to satisfy the customer. In other words, significance of Brand Image in creating customer satisfaction is very low. Hence more attention is required for Brand Image related measures like brand name of Khadi/Handloom is a reliable one, employment generation capacity and increase status in the society to generate more satisfaction among Khadi/Handloom textile customers in Kerala.
- The study analyzed the relation between Brand Image and Loyalty. It appraised the degree of influence of Brand Image of Khadi/Handloom industries in Kerala on building Loyalty among customers. The model showed that there is a positive relation between brand image and loyalty. The impact of brand image in building loyalty is 20 per cent. It means that brand image had only 20 per cent significance in creating loyalty among customers. More attention should be given to improve the appearance of Khadi/Handloom showrooms pleasant, Khadi/Handloom clothes gives a distinguishable personality and by adding value to the Khadi and Handloom textiles to create more loyalty among customers.
- The study analyzed the relation between Customer Satisfaction and Loyalty. It appraises the degree of influence of Customer Satisfaction in building loyalty among customers. The model indicated that there is anegative relation between Customer Satisfaction and Loyalty. Only 9 per cent of satisfaction is converted to loyalty and the P value is equal to 0.01. It showed that Customer Satisfaction had only 9 per cent significance in creating loyalty among customers. That means it is not at all sufficient to create loyalty among customers. It showed that majority of the satisfied customers of Khadi/Handloom industries in Kerala were not converted to loyal customers. It is because the impact of product attributes, place characteristics and price affordability of Khadi/Handloom industries in Kerala in building loyalty is very low. Hence we can conclude that due to problems in the marketing practices i.e., inappropriate marketing mix and insufficient brand image of Khadi/Handloom industries in Kerala majority of the satisfied customers are not converted to loyal customers. So more attention should be given to retain or not to lose the existing customers and to create and increase loyalty among them.

7.2.6 The Major Findings of Marketing Practices and its influence on Customer Satisfaction and LoyaltyModel 2 – With Moderation Effect of Choice Overload

The study examined the moderating role of Choice Overload (CO) in bringing fruitful outcome like Loyalty. In this study choice overload means confusion in the mind of Khadi/Handloom customers in Kerala about multiplicity of substitutes of Khadi/Handloom textiles available in the Kerala market. This study analyzed how Choice Overload can prevent the expected outcome of Customer Satisfaction of Khadi/Handloom industries in Kerala.

Potential customers come across a variety of choices as a result of aggressive competition from other substitutes of Khadi/Handloom textiles available in the Kerala market and it is from these diverse offerings that he makes his decision. Even if the marketing practices of Khadi/Handloom industries in Kerala are good the Choice Overload of the customers can hold back the expected result.

In Customer Satisfaction Model – 1 without moderation effect of Choice Overload shown in Diagram Loyalty got a beta value of 0.09. When comparing it with Customer Satisfaction Model – 2 with moderation effect of Choice Overload shown in Diagram the beta value of Loyalty is same as 0.09. The model showed that choice overload moderates to satisfaction and loyalty is only 5 per cent. That means moderation effect of choice overload is insignificant and the P value is equal to 0.10. Every customer faces confusion from multiplicity of products available to satisfy the same need. Literature consider this problem as choice overload and has empirically proven its moderation effect on loyalty formation. Hence it was assumed in this research as a significant moderator. Here it is significant only at 0.1 level, the magnitude is very small and

hence a conclusion can be drawn as prevailing choice overload doesn't to a great extent cause problems in sales of Khadi/Handloom textiles in Kerala.

It showed that the poor performance of Khadi/Handloom textile industries in Kerala is not the result of choice overload but due to their insufficient marketing practices i.e., in appropriate marketing mix and weak brand image and also the unawareness of Khadi/Handloom textile customers about the substitutes.

7.2.7 The Major Findings of Generated Model of Marketing Practices on Customer Satisfaction and Loyalty of Handloom and Khadi Industries in Kerala

Based on the analysis of data collected (as performed in Part – 4 of the last chapter) the generated model of customer satisfaction of Handloom and Khadi Industries in Kerala exhibited in Part – 5 of the last chapter is different from the proposed research framework. It exposes impact of causal variables like product attributes, place characteristics, price affordability, promotional effectiveness and brand image on satisfaction and loyalty and its moderation effect choice overload.

The generated model depicts the relationship between Product Attributes and Satisfaction and; the relationship between Product Attributes and Loyalty. The theoretical framework suggested that satisfaction will lead to loyalty in customers. In this study Product Attributes have a positive relationship to Satisfaction but negative relationship to Loyalty. That means Product Attributes of Handloom and Khadi industries in Kerala have failed to convert most of the satisfied customers into loyal ones. This is becausethere were six items under Product Attributes in which only three items, namely appearance, skin-friendly and eco-friendly scored a mean value more than 4. The remaining three items coming under product attributes, namely comfort to wear, durability and ease of maintenance of Khadi/Handloom textiles had scored low mean values. It showed that 28 per cent of product attributes i.e., the appearance and skin-friendly and eco-friendly nature of Khadi/Handloom textiles contributes satisfaction in customers. Majority of the product attributes were not able to create loyalty in customers i.e., the customers were not willing to recommend or repurchase Khadi/Handloom textiles as they were not satisfied with the variety, durability and ease of maintenance of Khadi/Handloom textiles.

Again generated model shows the relationship between Place Characteristics and Satisfaction; and the relationship between Place Characteristics and Loyalty. The theoretical framework suggested that satisfaction in customers will become loyalty in customers. In this study customers have satisfied with only 17 per cent of Place Characteristics and most of the place characteristics have a negative relationship to Loyalty. That means Place Characteristics of Handloom and Khadi industries in Kerala have failed to convert most of the satisfied customers into loyal ones. This is because there were six items under Place Characteristics in which only two items, namely layout of merchandise and cleanliness scored a mean value 4 and above. The remaining four items coming under Place Characteristics, namely internal facilities, parking facilities, location and working hours of Khadi/Handloom showrooms had scored low mean values. It showed that although the customers were satisfied with17 per cent place characteristics i.e., the layout of merchandise and cleanliness of Khadi/Handloom showrooms majority of the place characteristics were not able to create loyalty in customers i.e., they were not willing to recommend or repurchase Khadi/Handloom textiles as they were not satisfied with the internal facilities, parking facilities, location and working hours of Khadi/Handloom showrooms.

Generated model next depicts the relationship between Price Affordability and Satisfaction and; the relationship between Price Affordability and Loyalty. The theoretical framework suggested that satisfaction in customers will become loyalty in customers. In this study only 24 per cent of Price Affordability contributes satisfaction in customers and majority of the price affordability attributes have a negative relationship to Loyalty. That means Price Affordability of Handloom and Khadi industries in Kerala have failed to create loyalty in satisfied customers. This is because there were six items under Price Affordability in which only two items, namely purchase of Khadi/Handloom gives value for money and availability of Khadi/Handloom in different price ranges scored a mean value above 4. The remaining four items coming under Price Affordability, namely economical price, affordable price, reasonable price and easy payment options of Khadi/Handloom textiles had scored low mean values. It showed that 24 per cent of price affordability i.e., the purchase of Khadi/Handloom gives value for money and availability of Khadi/Handloom in different price ranges create satisfaction in customers. But majority of the price

affordability variables were not able to create loyalty in customers i.e., they were not willing to recommend or repurchase Khadi/Handloom textiles as they were not satisfied with the economical price, affordable price, reasonable price and easy payment options of Khadi/Handloom textiles.

Generated model then shows the relationship between Promotional Effectiveness and Satisfaction; and the relationship between Promotional Effectiveness and Loyalty. The theoretical framework suggested that loyal customers were satisfied customers. In this study Promotional Effectiveness have more positively related to Loyalty than related to Satisfaction. In other words, Promotional Effectiveness have got a low positive relationship to satisfaction but high positive relationship to loyalty. That means Promotional Effectiveness of Handloom and Khadi industries in Kerala have failed to develop satisfaction in most of the loyal customers. It also depicts that although 44 per cent of the Promotional Effectiveness creates loyalty in customers majority of the Promotional Effectiveness were not able to contribute satisfaction in loyal customers of Handloom and Khadi industries in Kerala. This is because there were six items under Promotional Effectiveness in which only one item, namely attractive discounts/rebate scored a mean value above 4. The remaining five items coming under Promotional Effectiveness, namely radio advertisements, display, newspaper advertisements, hoardings and exhibition/melas of Khadi/Handloom had scored low mean values. It showed that about 44 per cent of the Promotional Effectiveness create loyalty in customers i.e., they were willing to recommend or repurchase Khadi/Handloom textiles on discounts/rebate period although majority of the Promotional Effectiveness namely radio advertisements, display, newspaper advertisements, hoardings and exhibition/melas of Handloom and Khadi industries in Kerala were not able to contribute satisfaction in customers.

Generated model again depicts the relationship between Brand Image and Satisfaction; and the relationship between Brand Image and Loyalty. The theoretical framework suggested that loyal customers were satisfied customers. In this study Brand Image have more positively related to Loyalty than related to Satisfaction. In other words, Brand Image have got a low positive relationship to satisfaction but high positive relationship to loyalty. That means Brand Image of Handloom and Khadi industries in Kerala have failed to develop satisfaction in most of the loyal customers. It means that although 20 per cent of the Brand Image creates loyalty in customers' majority of the Brand Image related attributes were not able to contribute satisfaction in customers of Handloom and Khadi industries in Kerala. This is because there were six items under Brand Image in which only three items, namely employment generation capacity, reliable brand name and increase status in the society scored a mean value above 4. The remaining three items coming under Brand Image, namely appearance of Khadi/Handloom showrooms, distinguishable personality and protecting traditional values had scored low mean values. It showed that about 20 per cent of the Brand Image creates loyalty in customers i.e., they were willing to recommend or repurchase Khadi/Handloom textiles due to its employment generation capacity, reliable brand name andincrease status in the society. But majority of the Brand Image related attributes namely appearance of Khadi/Handloom showrooms, distinguishable personality and protecting traditional values were not able to contribute satisfaction in customers.

The generated model depicts the relationship between satisfaction and loyalty. The theoretical framework suggested that satisfied customers will become loyal customers. In this study satisfaction have got negative relationship to loyalty. That means Handloom and Khadi industries in Kerala have failed to convert satisfied customers into loyal ones. This is mainly because product attributes, place characteristics and price affordability have got a negative relationship to loyalty.

The generated model also shows the moderating effect of choice overload on satisfaction and loyalty. The theoretical model suggested that choice overload will prevent satisfied customers to become loyal ones. In this study choice overload have got a negative relationship to satisfaction and loyalty. That means choice overload of Handloom and Khadi customers have not prevent satisfied customers to become loyal ones. In other words, Handloom and Khadi textile customers in Kerala were unaware about the substitutes.

Hence, in this study generated model showed that the poor performance of Handloom and Khadi industries in Kerala is due to its inefficient marketing practices i.e., inappropriate marketing mix and insufficient brand image strategies rather than customers' choice overload (i.e., confusion from substitutes).

Hypotheses Test Results

Following table 7.2 depicts the test results of the hypotheses used in the study.

Table-7.2: Test Results of Hypotheses

No.	Hypothesis	Remarks
H1a	There exists significant relationship between Product Attributes and Satisfaction of Khadi/Handloom customers in Kerala.	Hypothesis Accepted
H1b	There exists significant relationship between Product Attributes and Loyalty of Khadi/Handloom customers in Kerala.	Hypothesis Not Accepted
H2a	There exists significant relationship between Place Characteristics and Satisfaction of Khadi/Handloom customers in Kerala.	Hypothesis Accepted
H2b	There exists significant relationship between Place Characteristics and Loyalty of Khadi/Handloom customers in Kerala.	Hypothesis Not Accepted
H3a	There exists significant relationship between Price Affordability and Satisfaction of Khadi/Handloom customers in Kerala.	Hypothesis Accepted
H3b	There exists significant relationship between Price Affordability and Loyalty of Khadi/Handloom customers in Kerala.	Hypothesis Not Accepted
H4a	There exists significant relationship between Promotional Effectiveness and Satisfaction Khadi/Handloom customers in Kerala.	Hypothesis Accepted
H4b	There exists significant relationship between Promotional Effectiveness and Loyalty of Khadi/Handloom customers in Kerala.	Hypothesis Accepted
H5a	There exists significant relationship between Brand Image and Satisfaction of Khadi/Handloom customers in Kerala.	Hypothesis Accepted
H5b	There exists significant relationship between Brand Image and Loyalty of Khadi/Handloom customers in Kerala.	Hypothesis Accepted
H6	Choice Overload perceived by the customers moderates the relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala.	Hypothesis Not Accepted
H7	There exists significant relationship between Satisfaction and Loyalty among Khadi/Handloom customers in Kerala.	Hypothesis Not Accepted
H8	There is significant difference in perceptions among respondents towards variables on the basis of Gender	Hypothesis Not Accepted
H9	There is significant difference in perceptions among respondents towards variables on the basis of their Area of Domicile	Hypothesis Not Accepted
H10	There is significant difference in perceptions among respondents towards variables on the basis of their Age	Hypothesis Not Accepted
H11	There is significant difference in perceptions among respondents towards variables on the basis of their Education Level	Hypothesis Accepted
H12	There is significant difference in perceptions among respondents towards variables on the basis of their Work Experience	Hypothesis Accepted
H13	There is significant difference in perceptions among respondents towards variables on the basis of their Income Level	Hypothesis Accepted
H14	There is significant difference in perceptions among respondents towards variables on the basis of their Nature of Work	Hypothesis Not Accepted
H15	There is significant difference in perceptions among respondents towards variables on the basis of their reasons behind visiting Khadi/Handloom Showroom	Hypothesis Not Accepted
H16	There is significant difference in perception among respondents towards satisfaction as well as loyalty on the basis of their different length of usage of Khadi/Handloom	Hypothesis Accepted

7.2.8 The Major Findings of Modified Model of Marketing Practices to Improve Customer Satisfaction and Loyalty of Handloom and Khadi Industries in Kerala

Modified model suggests to use the attributes of Brand Image in promotional activities effectively to generate more loyalty. Handloom and Khadi industries in Kerala have to create awareness among the customers about the leading factors in Brand Image such as giving high weightage to traditional values, stressing more importance to appearance factor, then Khadi/Handloom clothes develops a distinguishable personality, increase status in the society and moreover brand name of Khadi/Handloom is a reliable one. The impact of the linkage between Promotional Effectiveness and Brand Image is that the significance of Brand Image on loyalty will increase and the importance of discount/rebate attribute of Promotional Effectiveness on loyalty will decrease. It means that Brand Image of Khadi/Handloom will induce customers to repurchase or recommend Khadi/Handloom textiles rather than giving discounts/rebate.

7.3 Conclusion

Handloom/Khadi is a significant sector in the textile industry in India. Unique hand-crafted, skin-friendly and eco-friendly nature; and employment generation capacity of Handloom/Khadi sector demands more attention to improve its marketing practices to ensure more satisfaction and loyalty among its customers. Hand-woven characteristics of the Handloom/Khadi sector is a highlighting feature which needs keen attention in developing its marketing practices. Handloom/Khadi industry in Kerala is attempting to promote and enhance a competitive advantage over other textile sectors in India. How better or successfully marketing practices may be implemented for better performance in Handloom/Khadi sector in Kerala demands immense consideration.

The aim of this research was to study the marketing practices followed by Handloom and Khadi industries in Kerala. The study aimed to observe how influential are marketing practices in building satisfaction and loyalty among the customers of Handloom and Khadi industries in Kerala. The multidimensional structure of Marketing Practices on Customer Satisfaction has been confirmed and exhibited a generated model as per analysis of data collected in which customers' perception about marketing practices in Handloom and Khadi industries in Kerala and its influence on satisfaction and loyalty has been considered. The findings of the study point out that Product Attributes of marketing practices in Handloom and Khadi industries in Kerala have a strong potential to enhance satisfaction in customers but not enough to create loyalty in customers. Place Characteristics of Handloom and Khadi industries in Kerala have contributed very low satisfaction in customers and they have failed to convert most of the satisfied customers into loyal ones. Price Affordability of marketing practices in Handloom and Khadi industries in Kerala also have a little potential to enhance satisfaction in customers. Whereas Promotional Effectiveness of marketing practices in Handloom and Khadi industries in Kerala have a strong potential to induce customers to repurchase or recommend Handloom/Khadi textiles during discount/rebate period even if they were not satisfied with other promotional effectiveness measures. Brand Image of marketing practices in Handloom and Khadi industries in Kerala also have a potential to induce customers to repurchase or recommend Handloom/Khadi textiles.Even if Handloom and Khadi Industries in Kerala are having unique hand-woven fabrics which is good in appearance, skin-friendly and eco-friendly they have failed to retain their customers. It is because of their inappropriate marketing mix and insufficient brand image. In other words, due to the poor marketing practices Handloom and Khadi Industries in Kerala have failed to distribute their unique handcrafted textiles to their customers properly. Brand Image has a strong potential to create loyalty among customers of Handloom and Khadi Industries in Kerala. The use of attributes of Brand Image in promotional activities effectively can generate more loyalty. Handloom and Khadi industries in Kerala have to create awareness among the customers about the leading factors in Brand Image such as giving high weightage to traditional values, stressing more importance to appearance factor, then Khadi/Handloom clothes develops a distinguishable personality, increase status in the society and moreover brand name of Khadi/Handloom is a reliable one. The impact of the linkage between Promotional Effectiveness and Brand Image is that as the significance of Brand Image on loyalty will increase then the importance of discount/rebate attribute of Promotional Effectiveness on loyalty will decrease. It means that Brand Image of Khadi/Handloom will induce customers to repurchase or recommend Khadi/Handloom textiles rather than giving discounts/rebate.Therefore, Handloom and Khadi industries in Kerala should adopt marketing strategies to make correct proposition of marketing mix and to improve the current brand image of Handloom and Khadi

in Kerala. Handloom and Khadi industries in Kerala should necessarily take steps to build loyalty among satisfied customers. This will help Handloom and Khadi industries in Kerala to retain their existing customers which in turn will attract the new customers.

7.4 Suggestions

This research study has highlighted several key aspects of marketing practices that appear to have a significant impact on satisfaction and loyalty of the customers of Handloom and Khadi textile industries in Kerala. Based on the findings revealed from the study the following suggestions have been incorporated.

- The evaluations of customer satisfaction in Kerala Handloom and Khadi industries context are closely related to product attributes i.e., the appearance, skin-friendly and eco-friendly nature of Handloom/Khadi textiles. The above features of Khadi/Handloom had a dominating position in the minds of customers. Hence it is essential to maintain skin-friendly and eco-friendly nature of Handloom/Khadi textiles. People should buy Handloom/Khadi not as a charity or as a part of their duty but for that it is fashionable and for its intrinsic high value as a skin friendly and eco-friendly textile. Handloom and Khadi industries should incorporate variety of designs in their textiles and should ensure patenting their designs. They should also introduce a variety of product ranges to enrich the appearance of their products. The marketing strategy related to product attributes must be on the basis of customers' choice. Product varieties should favour the production more artistic and appealing fabrics rather than producing traditional varieties.
- Variety and durability of Handloom/Khadi textiles are not able to satisfy customers. So they are not creating loyalty among the customers. Hence it is essential to enhance quality and durability of Handloom/Khadi textiles by using quality yarns and improving the production process.Though handcrafted characteristic is the USP (Unique Selling Proposition) of Khadi/Handloom, use of appropriate technological implements play a vital role in achieving better productivity and quality besides reducing drudgery. The ease of maintaining Handloom/Khadi textiles is perceived poor by customers. It requires starching and ironing. And the present day customers not prefer time consuming process of maintaining clothes as it is one of the primary requirements of man. So ease of maintenance of Handloom/Khadi textiles should also be given utmost importance by upgrading the technology of production process.
- Price affordability is another important aspect of marketing practice which contributes the customer satisfaction. It satisfies the customers of Handloom/Khadi in such a way that purchase gives value for money and availability in different price ranges. Hence it is necessary to increase the availability of Handloom/Khadi in different price ranges and to maintain the perception of customers that purchase of it gives value for money.
- Most of the customers perceived that Handloom/Khadi textiles are high priced products i.e., it is not economical and reasonable. By upgrading the production process of Handloom/Khadi such as mechanizing charkas, pit looms, frame looms etc. production can be increased and the production cost per unit will be reduced. This will in turn reduce the price of Handloom/Khadi textiles. It will help to purchase more Handloom/Khadi textiles by all level of customers. Lack of easy payment facility in majority of Handloom/Khadi showrooms is another important problem. Introduction of credit/debit payment facility in all Handloom/Khadi showrooms will make purchase of customers easier.
- Place characteristics aspect of marketing practice contributes satisfaction only in 17 per cent customers i.e., contribution to satisfaction is only to some extent. Cleanliness and layout of merchandise of Handloom/Khadi showrooms are perceived well by 17 per cent customers. So it is very important to improve the cleanliness and maintain an orderly layout of merchandise of Handloom/Khadi showrooms in Kerala.
- Internal facilities like sitting facility, lighting and delightful manners of sales people of Khadi/Handloom showrooms perceived poor by customers. Hence it is necessary to provide more attentionto improve pleasant internal facilities in most of their showrooms. At present Khadi/Handloom showrooms' parking facility is very poor and customers were highly dissatisfied with this lacking facility. So it is very important to create sufficient parking facility in Handloom/Khadi showrooms. Another important

difficulty faced by customers of Handloom/Khadi is location of the showrooms. That means shops are not available in the vicinity. Hence it is necessary to maintain Handloom/Khadi showrooms at easily accessible locations by its customers. Working hours of Khadi/Handloom showrooms in Kerala is very limited. It also creates difficulty in developing loyalty among customers. At the present scenario of online shopping, late night shopping etc. working hours of Khadi/Handloom showrooms should give utmost attention to improve the same for their better performance.

- Promotion effectiveness aspect of marketing practice contributes more in creating loyalty among customers such as discount/rebate scheme of Handloom/Khadi industries in Kerala. Discounts/rebate induce customers to repurchase and recommend Handloom/Khadi textiles. Hence it is essential to reform the discount/rebate schemes for continuous and bulk purchasing.
- Radio advertisements, display of Handloom/Khadi textiles in showrooms, newspaper advertisements, hoardings and exhibition/melas are not able to create satisfaction in majority of the customers which are loyal. Hence it is essential to enhance Radio advertisements, display of Handloom/Khadi textiles in showrooms, newspaper advertisements, hoardings and exhibition/melas to generate more satisfaction among Khadi/Handloom textile customers in Kerala. Radio advertisements should give more attention in such a way that select most popular FM radio stations like Radio Mango, Red FM etc. Displays of Handloom/Khadi textiles in showrooms should be changed daily and properly. Newspaper advertisements should be given in most popular dailies like Malayala Manorama, Mathrubhoomi, The Hindu, Indian Express etc. and should be on prime days of the week and seasons. Hoardings should be placed on easy attention catching locations. Exbitions/melas should be conducted on convenient locations and enough parking facility should be there.
- Brand image aspect of marketing practice contributes more in creating loyalty among customers such as reliable brand name, employment generation capacity and increase status in the society. Hence it is essential to make the brand image of Handloom/Khadi textiles more reliable one by ensuring handloom mark in all Handloom/Khadi textiles and to enhance its employment generation capacity and also increase its brand image by creating an image that wearing Handloom/Khadi will give high status in the society.
- Appearance of Handloom/Khadi showrooms, Handloom/Khadi gives distinguishable personality and protecting traditional values are perceived poor by customers i.e., these features are not able to create satisfaction among customers. Hence it is necessary to improve the appearance of Handloom/Khadi showrooms by improvingHandloom/Khadi textiles display, by arranging welcoming interior design of Handloom/Khadi showrooms and by pleasing and customer friendly manners of sales people. This will in turn generate satisfaction about the brand image of Handloom/Khadi among customers.
- Customer satisfaction in Handloom and Khadi industries in Kerala is not strong enough to foster loyalty among customers. It means that loyalty among customers of Handloom/Khadi industries in Kerala is not having strong relation with customer satisfaction. Existing loyal customers are not satisfied ones or all satisfied ones are not converting to loyal ones. Hence Handloom/Khadi industries in Kerala should adopt strategies to develop and increase customer satisfaction by adopting proper marketing practices i.e., by mixing the marketing aspects such as product attributes, place characteristics, price affordability and promotional effectiveness properly. They should take necessary steps to improve their brand image by making use of modern means such as campaigns through social media networks and internet; introduction of varieties in Handloom/Khadi textiles, proper functioning of online shopping etc.
- At present customers are exposed to variety of substitutes or choice overload that successively build a surveillance attitude among customers. Such surveillance attitude varies from customer to customer and can form basis for satisfaction intensification or deduction depending on their perception and interest about favourability and unfavourability of the varieties. Handloom/Khadi industries in Kerala should create innovative strategies like customized designs in their textiles, availability of branded Handloom/Khadi textiles in all leading textile showrooms throughout Kerala with a separate counter,

events like fashion shows, exhibitions and melas to enrich uniqueness in their offerings. Publicity should be given about the leading textile showrooms in which Handloom/Khadi is available.

- Customer feedback forms should be maintained and should invite critical suggestions and comments regarding their shopping experience and services offered in all Handloom/Khadi showrooms in Kerala. Every suggestion should be reviewed and take essential actions at the earliest.
- Handloom/Khadi industries in Kerala should establish a customer relationship wing. Building relation with customers should not be restricted to that wing. All sales people of Handloom/Khadi showrooms in Kerala should involve in initiating and nurturing relationship with customers.
- There should be sense of reliability on all dealings of the sales people in Handloom/Khadi showrooms in Kerala. Reliability builds trustworthiness which is one of the vital ingredients of any relationship. If the customer perceived that the sales people can be relied the relationship will become stronger and long lasting. Hence sales people should maintain reliability and trustworthiness in their dealings with the customers.
- Handloom/Khadi industries in Kerala should retain the existing customers. It is very important to distinguish between loyal customers and others. Register of satisfied and loyal customers should be maintained in every Handloom/Khadi showrooms in Kerala. They can be given loyalty cards of Handloom/Khadi to identify them. It is also important to build strong relationship with loyal customers since it is more cost effective to retain the existing ones than to create a new one. Loyal customers should give special offerings like discount for continuous/bulk purchase, bonus points which can be redeemed later on, free travelling to main tourist place in India etc. Preference should be given to loyal customers during festival seasons.
- Length of association of customers with Handloom and Khadi industries in Kerala is found inversely proportional to period of time i.e., as time period increases length of association of customers decreases. Hence it is essential to enhance the length of association of customers with Handloom and Khadi industries in Kerala by delivering customized design textiles at their door steps by using ICT tools, online shopping etc. This will be easier by making tie-up with online shopping sites like Amazon, Flip kart, Snap deal etc.
- Discount/rebate attribute of Promotional Effectiveness is found creating loyalty among customers. It is prudent to use the attributes of Brand Image in promotional activities effectively to generate more loyalty. Handloom and Khadi industries in Kerala have to create awareness among the customers about the leading factors in Brand Image such as giving high weightage to traditional values, stressing more importance to appearance factor, then Khadi/Handloom clothes develops a distinguishable personality, increase status in the society and moreover brand name of Khadi/Handloom is a reliable one. This will in turn induce customers to repurchase or recommend Khadi/Handloom textiles rather than giving discounts/rebate.
- It is essential to segment the market such as youth preferred category (new colours, new designs, value added ones etc.), traditional ones and kids category. It means that Khadi/Handloom must fit into the present life style.

7.5 Managerial Implications

This research study recognized that certain causal attributes which are the marketing practices like product attributes, place characteristics, price affordability, promotional effectiveness and brand image are important to Handloom and Khadi industries and also they are capable of influencing satisfaction and loyalty of Handloom and Khadi customers in Kerala.

The evaluations of marketing practices in Kerala Handloom and Khadi industries context are based on: Product attributes i.e., durability, quality, appearance, skin-friendly, eco-friendly and easeness to maintain of Handloom/Khadi textiles; Place characteristics i.e., **c**leanliness, internal facilities, layout of merchandise, parking facility, convenient location and working hours of Khadi/Handloom showrooms; Price affordability i.e., availability in different price ranges, purchase gives value for money, economical price, affordable price, reasonable price and easy payment options of Handloom/Khadi textiles; Promotional effectiveness i.e.,

radio advertisements, display, newspaper advertisements, hoardings, discounts/rebate and exhibition/melas of Handloom/Khadi; and Brand image i.e., employment generation capacity, reliable brand name, appearance of Khadi/Handloom showrooms, distinguishable personality, increase status in the society and protecting traditional values offered to the Handloom/Khadi customers. This study offers significant contributions for the Handloom and Khadi industries in Kerala to understand the necessity of appropriate marketing practices in building customer satisfaction and loyalty. This fact will make them powerful to creatively tackle the issues and to take strategic or tactful decisions related to marketing practices.

This research in addition recognized that moderate effect of choice overload of customers is not preventing the satisfied ones to become loyal ones but the problem is with the inappropriate marketing mix and insufficient brand image of Handloom and Khadi industries in Kerala. Hence Handloom and Khadi industries should necessarily take steps to develop right marketing mix for their present customers. They should also creatively enhance their brand image in this regard. That is, the use of Brand Image attributes in promotional activities should be encouraged effectively to generate more loyalty. Handloom and Khadi industries in Kerala have to create awareness among the customers about the leading factors in Brand Image such as giving high weightage to traditional values, stressing more importance to appearance factor, then Khadi/Handloom clothes develops a distinguishable personality, increase status in the society and moreover brand name of Khadi/Handloom is a reliable one. The impact of the linkage between Promotional Effectiveness and Brand Image is that the significance of Brand Image on loyalty will increase and the importance of discount/rebate attribute of Promotional Effectiveness on loyalty will decrease. It means that Brand Image of Khadi/Handloom will induce customers to repurchase or recommend Khadi/Handloom textiles rather than giving discounts/rebate.

7.6 Future Research Directions

The following directions can be proposed for the future research studies on the topic marketing practices.

- An attempt can be made to test the applicability of the models developed in this study to the same industry in a different setting.
- Marketing practices in other textile sectors and regions can be considered as a topic of further research due to its emerging importance.
- Future studies could use other multivariate techniques which aids in identifying the causation.
- The effect of marketing practices on the performance of Handloom and Khadi Industries in Kerala could consider the various contributions of marketing strategies to other forms of organizational performance such as export earnings, market share, profitability etc.

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Abbreviations

Sat	Customer Satisfaction
Loy	Customer Loyalty
APC	Average Path Coefficient
ARS	Average R-squared
AARS	Average Adjusted R-squared
AVIF	Average Block VIF
AFVIF	Average Full Collinearity VIF
GOF	TenenhausGoF
SPR	Sympson's Paradox Ratio
RSCR	R-Squared Contribution Ratio
SSR	Statistical Suppression Ratio
NLBCDR	Nonlinear bivariate causality direction ratio
PdtAttr	Product Attributes
PlcCha	Place Characteristics
PrcAfo	Price Affordability
PromEf	Promotional Effectiveness
Brmg	Brand Image
Satisfa	Customer Satisfaction
Loyal	Customer Loyalty
Choiceo	Choice Overload

APPENDIX – 1

CUSTOMER PERCEPTION/SATISFACTION SCHEDULE

A. Have you purchased Khadi/Handloom textiles?

(a) Yes (b) No

If Yes, Proceed.

1. Name and Address: .....

.....

.....

2. Gender: Male/Female

3. Area of Domicile: (a) Panchayat (b) Municipality (c) Corporation

4. Age:

(a) Below 25 Years (b) 25 - 35 Years (c) 35 Years and above.

5. Educational Qualification:

(a) Matriculate (b)Graduate (c)PostGraduate (d)Professional (e) Others (Pl.Specify.....).

6. Occupation:

(a) Public (b) Private (c) Self-Employed (d) Others (Pl.Specify.....)

7. How long have you been working?

(a) Below 3 Years (b) 3 – 8 Years (c) Above 8 Years.

8. Income (p.a.) :

(a) Less than ` 1.5 Lakhs (b) ` 1.5 Lakhs – `3 Lakhs (c) ` 3 Lakhs – ` 5 Lakhs (d) ` 5 Lakhs and Above.

9. Reason for visit Khadi/Handloom Showrooms. (Pl. Tick only one).

a) Friends and Relatives b) Advertisements c) Exhibitions

b) d) Offers and Discounts e) Others, If any, Pl. Specify.....

10. How long have you been using Khadi/Handloom?

(a) Less than 4 Years (b) 4 – 5 Years (c) Above 5 Years.

11. Please tick the appropriate box to indicate your opinion:

[1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree Nor Disagree, 4 = Agree and 5 = Strongly Agree.]

TOPIC	**1**	**2**	**3**	**4**	**5**
PRODUCT (6)					
1. Khadi/Handloom clothes are skin-friendly.					
2. Khadi/Handloom clothes are durable.					
3. Khadi/Handloom clothes are comfort to wear.					
4. Khadi/Handloom clothes are eco- friendly.					
5. Variety of Khadi/Handloom clothes is good.					
6. Khadi/Handloom clothes are easy to maintain.					
PRICE (6)					
1. The price of the Khadi/Handloom cloth is economical.					
2. Easy payment options are available in Khadi/Handloom showrooms.					
3. The price of the Khadi/Handloom cloth is reasonable.					

4. Purchase of Khadi/Handloom clothes gives value for money.					
5. Price of the Khadi/Handloom clothes is affordable.					
6. Khadi/Handloom clothes are available in different price ranges.					
PLACE (6)					
1. Cleanliness of Khadi/Handloom showrooms is excellent.					
2. The Internal facilities in Khadi/Handloom showrooms are helpful in making selection of clothes.					
3. Layout of merchandise of Khadi/Handloom showrooms is excellent.					
4. Parking facilities of Khadi/Handloom showrooms are sufficient.					
5. Khadi/Handloom Showrooms are conveniently located.					
6. Working Hours of Khadi/Handloom showrooms are acceptable.					
PROMOTION (6)					
1. Newspaper Advertisements of Khadi/Handloom are visible.					
2. Display of Khadi/Handloom showrooms is attractive.					
3. Radio Advertisements of Khadi/Handloom are informative.					
4. Khadi/Handloom clothes offer attractive discounts/rebate.					
5. Khadi/Handloom Exhibitions/Melas to promote the sales are good.					
6. Hoardings of Khadi/Handloom are attractive.					
BRAND IMAGE (6)					
1. The contribution of Khadi/Handloom for employment generation is remarkable.					
2. The brand name of Khadi/Handloom is a reliable one.					
3. The appearance of Khadi/Handloom showrooms is Pleasant.					
4. Khadi/Handloom clothes give me a distinguishable personality.					
5. Khadi/Handloom clothes increase my status in the society.					
6. Khadi/Handloom clothes help in protecting our traditional values.					
SATISFACTION (6)					
1. Every time I got the right thing I wanted to get from Khadi/Handloom showroom.					
2. I am happy with my decision to purchase Khadi/Handloom clothes.					
3. My choice to use Khadi/Handloom clothes is a wise one.					
4. I am satisfied with the promotional activities of Khadi/Handloom.					
5. Khadi/Handloom clothes satisfy my needs in an excellent manner.					
6. I am happy to use Khadi/Handloom clothes regularly.					
LOYALTY (6)					
1. Whenever I buy clothes I will repeatedly purchase the brand Khadi/Handloom.					
2. I'll buy Khadi/Handloom clothes even if the price changes.					
3. I consider Khadi/Handloom clothes as my first choice.					
4. I intend to continue using Khadi/Handloom clothes in the future.					
5. I'm willing to recommend Khadi/Handloom clothes to others.					
6. I'll purchase Khadi/Handloom clothes even if discounts/rebate is not offered.					
CHOICE OVERLOAD (5)					
1. I always depend on my friends and relatives to make a decision.					
2. I take more time to make a decision when options are plenty.					
3. When confused to take a decision I feel tensed.					
4. Wide choice normally confuses me.					
5. I normally get confused while shopping clothes when I see multiple options.					

12. Please give your valuable suggestions for improvement of Khadi/Handloom textiles and its marketing.

.....

.....

Thank you.

APPENDIX - 2

OUTPUT OF STRUCTURAL EQUATION MODELLING

2.1 Marketing Practices and its Influences on Customer Satisfaction and Loyalty Model -1. Fit and Quality Indices

- Average path coefficient (APC)=0.167, P<0.001
- Average R-squared (ARS)=0.592, P<0.001
- Average adjusted R-squared (AARS)=0.589, P<0.001
- Average block VIF (AVIF)=2.260, acceptable if <= 5, ideally <= 3.3
- Average full collinearity VIF (AFVIF)=2.416, acceptable if <= 5, ideally <= 3.3
- TenenhausGoF (GoF)=0.561, small >= 0.1, medium >= 0.25, large >= 0.36
- Sympson's paradox ratio (SPR)=1.000, acceptable if >= 0.7, ideally = 1
- R-squared contribution ratio (RSCR)=1.000, acceptable if >= 0.9, ideally = 1
- Statistical suppression ratio (SSR)=1.000, acceptable if >= 0.7
- Nonlinear bivariate causality direction ratio (NLBCDR)=1.000, acceptable if >= 0.7

Model fitness with data established as values of APC, ARS, and AARS were with p values less than 0.05 and since all other indices were found to have acceptable values.

2.2 Marketing Practices and its Influences on Customer Satisfaction and Loyalty Model -2 with Moderating Effect. Fit and Quality Indices

- Average path coefficient (APC)=0.156, P<0.001
- Average R-squared (ARS)=0.581, P<0.001
- Average adjusted R-squared (AARS)=0.578, P<0.001
- Average block VIF (AVIF)=2.168, acceptable if <= 5, ideally <= 3.3
- Average full collinearity VIF (AFVIF)=2.269, acceptable if <= 5, ideally <= 3.3
- TenenhausGoF (GoF)=0.539, small >= 0.1, medium >= 0.25, large >= 0.36
- Sympson's paradox ratio (SPR)=0.917, acceptable if >= 0.7, ideally = 1
- R-squared contribution ratio (RSCR)=0.990, acceptable if >= 0.9, ideally = 1
- Statistical suppression ratio (SSR)=1.000, acceptable if >= 0.7
- Nonlinear bivariate causality direction ratio (NLBCDR)=0.917, acceptable if >= 0.7

Model fitness with data established as values of APC, ARS, AARS were with p values less than 0.05 and since all other indices were found to have acceptable values.

APPENDIX - 3

KHADI AND HANDLOOM STATISTICS

3.1 Khadi Value of Production, Sales & Employment Generation (1991-2014)

Year	No. Of People Employed	Wages Paid (Lakhs)	Value of Production (Lakhs)	Sales Turnover (Lakhs)
1990-91	11,604	229.97	364.14	591.25
1991-92	12,221	257.55	462.18	658.5
1992-93	12,328	309.22	427.12	745.12
1993-94	10,728	293.99	394.37	765.34
1994-95	8,829	259.28	308.4	802.84
1995-96	8,578	262.47	350.73	894.41
1996-97	8,087	269.89	398.53	991.96
1997-98	7,702	353.09	479.01	958.15
1998-99	7,191	374.84	436.16	799.91
1999-2000	6,573	352	435.16	794.73
2000-01	5,534	235.02	440.39	754.51
2001-02	6,556	342.92	474.58	1066.9
2002-03	5,644	354	539.48	1201.6
2003-04	4,860	311.99	494.46	1130.53
2004-05	4,919	350.68	479.1	1152.24
2005-06	4,587	294.4	493.58	1331.96
2006-07	4,146	362.95	529.81	2384.17
2007-08	3,178	304.73	584.35	1222.3
2008-09	4,024	318.21	656.63	1644.1
2009-10	4,764	533.6	968.91	2179.32
2010-11	5,697	620	1152.1	2816.19
2011-12	5,451	626.88	1403.95	3260.08
2012-13	5,528	933.75	1688.81	3623.13
2013-14	5,640	926.65	1968.78	4467.16

Source: Kerala Economic Reviews 1991-2014.

3.2 Handloom Value of Production, Productivity & Employment Generation

Year	No. Of Handloom Weavers	Value of Production (Rs. in Crores)	Productivity (Metre/Loom/Annum)
1990-91	-	81.87	1069
1991-92	-	99.2	1050
1992-93	-	128.12	1074
1993-94	-	152.63	1,776
1994-95	-	203.14	1,854
1995-96	-	351.815	1,484
1996-97	1,12,775	360.35	1,532
1997-98	1,12,840	370.66	1,212
1998-99	1,13,957	382.45	1,503
1999-2000	1,34,373	392.47	1,504.26
2000-01	1,34,753	303.3	2,157
2001-02	1,34,753	318.16	2,229
2002-03	1,34,900	255.66	1,950
2003-04	1,35,125	272.16	1,238.74
2004-05	1,35,450	280.35	1,241.04
2005-06	1,35,695	280.72	1,245.46
2006-07 2007-08	1,35,750	281.16	1,241.04
2008-09	1,32,974	318.96	1,374.50
2009-10	67,268	146.38	445.27
2010-11	57,753	165.33	839.31
2011-12	52,386	190.96	932.97
2012-13	51,590	202.14	1037.34
2013-14	51,171	222.87	1122.47
1990-91	21,230	210.57	1992.14

Source: Kerala Economic Reviews 1991-2014.

3.3 Handloom Co-Operative Societies & Production of Handloom Cloth

Year	No. Of Handloom Co-operative Societies			Production of Handloom Cloth (Million Metre)
	Factory	Cottage	Total	
1990-91	120	477	597	54.6
1991-92	125	479	604	55.28
1992-93	126	479	605	59.17
1993-94	130	480	610	62.3
1994-95	130	508	638	88.52
1995-96	133	602	735	89.82
1996-97	135	618	753	94.43
1997-98	135	620	757	74.99
1998-99	172	593	755	76.12
1999-2000	135	620	755	74.45
2000-01	135	620	755	67.47
2001-02	135	620	755	70.75
2002-03	155	603	758	56.82
2003-04	155	603	758	60.48
2004-05	155	603	758	62.3
2005-06	155	603	758	62.38
2006-07	155	603	758	62.48
2007-08	155	603	758	70.88
2008-09	150	526	676	20.2
2009-10	150	526	676	23.95
2010-11	167	481	648	26.68
2011-12	166	425	591	27.89
2012-13	153	511	431	29.45
2013-14	171	534	426	33.56

Source: Kerala Economic Reviews 1991-2014.

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Empyreal Publishing House

ISBN 978-81-944069-4-5

9 788194 406945