INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

IJRCM

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography: Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work**/**manuscript** *anytime* in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (*FOR ONLINE SUBMISSION, CLICK HERE*).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION**:

                                                                                                                                                      DATED: _____

   THE EDITOR
   IJRCM

   Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF**   .

    (e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

   DEAR SIR/MADAM

   Please find my submission of manuscript entitled '_____' for possible publication in your journals.

   I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

   I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

   Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

   NAME OF CORRESPONDING AUTHOR:
   Designation:
   Affiliation with full address, contact numbers & Pin Code:
   Residential address with Pin Code:
   Mobile Number (s):
   Landline Number (s):
   E-mail Address:
   Alternate E-mail Address:

   NOTES:
   a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
   b) The sender is required to mentionthe following in the **SUBJECT COLUMN** of the mail:
        New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/ Engineering/Mathematics/other, please specify)
   c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
   d) The total size of the file containing the manuscript is required to be below **500 KB**.
   e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
   f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE**: The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS**: The author (s) **full name**, **designation**, **affiliation** (s), **address**, **mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5.   **KEYWORDS**: Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

6.   **MANUSCRIPT**: Manuscript must be in **_BRITISH ENGLISH_** prepared on a standard A4 size **_PORTRAIT SETTING PAPER_**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

7.   **HEADINGS**: All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

8.   **SUB-HEADINGS**: All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

9.   **MAIN TEXT**: The main text should follow the following sequence:

INTRODUCTION

REVIEW OF LITERATURE

NEED/IMPORTANCE OF THE STUDY

STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

CONCLUSIONS

SCOPE FOR FURTHER RESEARCH

ACKNOWLEDGMENTS

REFERENCES

APPENDIX/ANNEXURE

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **_5000 WORDS_**.

10.   **FIGURES &TABLES**: These should be simple, crystal clear, centered, separately numbered &self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

11.   **EQUATIONS**:These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.

12.   **REFERENCES**: The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:

●   All works cited in the text (including sources for tables and figures) should be listed alphabetically.

●   Use (**ed.**) for one editor, and (**ed.s**) for multiple editors.

●   When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.

●   Indicate (opening and closing) page numbers for articles in journals and for chapters in books.

●   The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.

●   For titles in a language other than English, provide an English translation in parentheses.

●   The location of endnotes within the text should be indicated by superscript numbers.

<center>**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES**:</center>

BOOKS

●   Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.

●   Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

●   Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

●   Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

●   Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

●   Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

●   Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

●   Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

PROFITABILITY OF TRADERS ENGAGED IN BANDHEJ CRAFT

DR. RUBY JAIN
ASSOCIATE PROFFESSOR
DEPARTMENT OF HOME SCIENCE
UNIVERSITY OF RAJASTHAN
JAIPUR

AMBIKA TIWARI
RESEARCH SCHOLAR
DEPARTMENT OF HOME SCIENCE
UNIVERSITY OF RAJASTHAN
JAIPUR

ABSTRACT

Bandhej is a big handicraft sector involving lakhs of artisans and thousands of traders especially in the Rajasthan and Gujrat states. The craft involves a long and complex supply chain having designer, tiers and dyer working under the umbrella of manufacturer at production level and raw material supplier (greymen), manufacturer, wholesaler and retailer working as traders at the distribution level. The paper attempts to study the industry structure and also the profitability ratio of the various trading stakeholders of the Bandhej craft and tries to probe the forces of profitability determining the profit at the production level and reasons of difference of income that afflicts some of the stakeholders.

KEYWORDS

Bandhej, Supply chain, Profitability, Income.

INTRODUCTION

Bandhej clothes contribute substantially to the economy and export earning of the country; it is an important trade activity having a long and complex supply chain. The supply chain in the handicraft industry in India is generally long with many intermediaries involved. The intermediaries organize and coordinate the work supplying inputs, specifying quality expectations and delivery dates, making payments and providing market access (**Jones & Shaikh, 2005**).

This handicraft also requires raw material in the form of fabric and undergoes various processes of production and finally through distribution it reaches to the consumer. The finished product reaches to the end user through many intermediaries under trader's category. Each handicraft industry has its own structure and the profitability depends on the best practices adopted at each stage by the respective stakeholders. Besides this, they have to work in a sequential order, so any obstacle at any one stage affects the other affecting the entire chain. According to (**Porter, 2008)** " Understanding the competitive forces, and their underlying causes, reveals the roots of an industry's current profitability while providing a frame work for anticipating and influencing competition (and profitability) over time. A healthy industry structure should be as much a competitive concern to strategists as their company's own position". Thus, this study was conceptualized by studying the structure and the role of various players involved and this was followed by examining entire supply chain, profitability and factors affecting it.

OBJECTIVE OF THE STUDY

The main objective of the study was to analyze the supply chain and profitability ratio of the traders engaged in *Bandhej* trade.

HYPOTHESES OF THE STUDY

The profitability would depend on the sales and thus the hypothesis framed was:
There is no significant difference in the mean monthly sales of the traders of the three cities

RESEARCH METHODOLOGY

The present study was carried out in Jaipur, Sikar and Jodhpur cities of Rajasthan which are highest producing tie and dye clothes in terms of quantity. Since this is the handicraft the artisans are awarded every year for their excellent contribution, they became the source of information to understand the structure of the industry. Separate lists of the traders involved in the *Bandhej* trade in the three cities were made with the help of the National awardees and manufacturers. Further, 10 percent of the approximate total number of the greymen, manufacturer, and wholesalers were selected randomly for the purpose from the respective three cities. As the retailers are in big numbers, only 5% retailers were taken from each of the cities. The snowball method was used to approach these people. Table 1 shows the number of traders selected in the three cities under respective categories. The semi-structured interview schedules were prepared for greymen, manufacturers, wholesalers and retailers to draw information about the turnover and profitability in the trade considering the objective of the study.

TABLE 1: UNIVERSE OF THE STUDY

CITY	TOTAL POPULATION				TOTAL
	Greymen	Manufacturer	Wholesaler	Retailer	
Jaipur	200	130	150	500	980
Sikar	10	40	0	200	250
Jodhpur	50	50	80	400	580
Total	260	220	230	1100	1810
SAMPLE SELECTED FOR THE STUDY					
Jaipur	20	13	15	25	73
Sikar	01	04	00	10	15
Jodhpur	05	05	08	20	38
Total	26	22	23	55	126

Source**:** Primary data was collected from traders (2013) after baseline survey

RESULTS AND DISCUSSIONS

STRUCTURE OF THE INDUSTRY

The involvement of all players in the entire supply chain can be understood from the fig.1 showing the structure of the industry and involvement of the stakeholders (Jain & Tiwari, 2013). Procurement of the raw material is done from the 'greyman', so called in the trader's community by the manufacturer who takes the charge of production   through artisans and finally the wholesaler and the retailer are responsible for distribution to the customers.

FIG. 1: STRUCTURE OF THE INDUSTRY
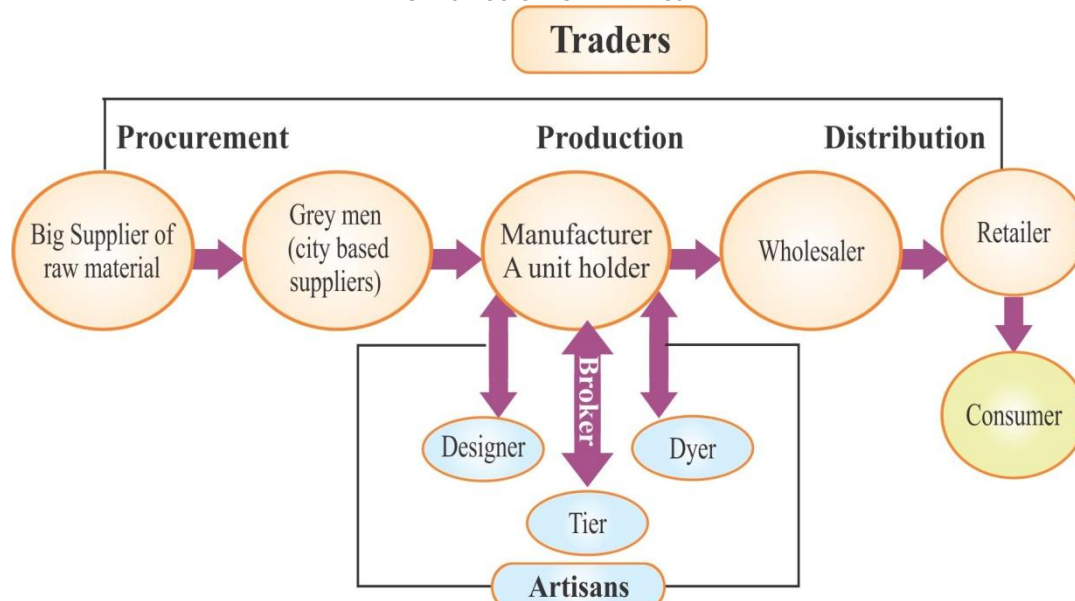
Source**:** (Jain & Tiwari, 2013)

The artisans are working in a decentralized mode in their clusters and have connection with the outside market through some indirect link that is the manufacturer in this handicraft activity. In *Bandhej* there are many steps, in the production process from raw material to the finished product, each involving different people and separate financing. Production entails designing, tying and dyeing thus all the artisans involved have significant role in supply of the final product and they work under the manufacturer. All the stages affect the cost of the product and the time cycle of the product process. It makes the entire process complex. The sourcing of raw material, complexity of the production, and distribution challenges the supply chain

Supply chain profitability is the total profit to be shared across all supply chain stages. Hence, it became imperative to take into account the costing and profit ratio at each level (raw material to finish product) in the supply chain of *Bandhej* craft. The finished garments reach to the consumers through the chain of grey-suppliers (the persons who deal in raw material), producer or manufacturer, wholesalers and retailers after being manufactured by the skilled hands of designers, tiers, and dyers. Thus profitability at these three important stages viz. procurement, production and distribution of the traders involved at each stage is as follows:

PROCUREMENT

In this industry the raw material supplier is known as Greyman, hence this nomenclature would be used for him. The city based greyman within the state of Rajasthan procures the raw material from the big city supplier. The Table given below shows the average costing of grey material of different varieties to the greymen and to the manufacturers. The average profit percent of the greymen on the sales volume is also depicted as responded by them during the interview. The profit earned on cotton is 8-10%, whereas, the profit on silk varieties (*Ojharia*, Georgette, Crepe and Itallian) is 2-4%. Moreover, the greymen also earns extra income of interest on the billed amount, as the purchasing is done on credit basis by the manufacturer. The interest rate may vary from 1-2%.

TABLE 2: COST BREAK-UP OF THE GREY MATERIAL (BLEACHED) (n=26)

Grey-material		Cost to Greyman	Cost to Manufacturer	Profit of greyman (incl. interest)
Ojharia	30gm	90/m	94-100/m	2-4%
	60gm	100/m	104-110/m	2-4%
Georgette	40gm	110/m	114-120/m	2-4%
	60gm	150/m	155-160/m	2-4%
	80gm	210/m	215-220/m	2-4%
Italian	60gm	135/m	140-145/m	2-3%
Crepe		150/m	155-160/m	2-4%
Cotton	Suttu (*Mulmul*)	17-18/m	19-20/m	8-10%
	Lattha	22-23/m	25-26/m	8-10%
	Sooti	35-40/m	42-44/m	8-10%
Synthetic		35-50/m	38-55/m	2-5%

Source: Primary data collected from greyman

MEAN MONTHLY SALES AND INCOME OF THE RAW MATERIAL SUPPLIER (GREYMEN)

 The approximate mean monthly income of the greymen of the three cities is shown in the Table 3. The mean sales quantity was taken after considering the maximum and the minimum sales quantity of each variety of grey sold in the three cities. Regarding separate quantity of sales for each variety of grey**,** it was found that the ratio of sales of *Ojharia*, Georgette and Crepe/Italian silk is 70:20:10 on an average in Jaipur and 70:15:15 in Sikar. In Jodhpur, the ratio of sales of *Ojharia*/ Georgette, synthetic and cotton is 10:30:60 approximately. Thus the total sales volume of an individual respondent was trifurcated in the same ratio and calculated according to the rate per meter.

The total sales volume of Jaipur based greymen is Rs. 34,53,366 and at the rate 3% profit the income is Rs. **1,03,600**/ month, in Sikar the sales is Rs. 25,69,867 and income is Rs. **77,096/** month and in Jodhpur the mean monthly income is Rs **39,936** as shown in Fig.2.

TABLE 3: MEAN MONTHLY SALES AND INCOME OF GREYMAN *(n= 26)*

Sales in Jaipur	Maximum (meters)	Minimum (meters)	Average (meters)	Type of Cloth	Quantity (meters)	Rate/m.	Total Sales Volume (Rs.)
	48866	16600	**32733**	*Ojharia* (70%)	22913	100	2291333
				Georgette (20%)	6546	110	720132
				Crepe/Itallian (10%)	3273	135	441899
				Total Quantity	**32733**		**3453365**
				Mean Income (3%) in Rs.			**103600**
Sales in Sikar	29000	21333	**25166**	*Ojharia* (70%)	17616	100	1761600
				Georgette (15%)	3774	110	415140
				Crepe/Itallian (15%)	3774	135	509490
				Total Quantity	**25166**		**2686541**
				Mean Income (@3%) in Rs.			**80586**
Sales in Jodhpur	15400	9600	**12500**	*Ojharia/*Georgette (10%)	1250	105	131250
				Synthetic (30%)	3750	24	90000
				Cotton (60%)	7500	50	375000
				Total Quantity	**12500**		**596250**
				Mean Income (3% for silk, 2.5% for synthetic & 9% for cotton) in Rs.			**39936**

Source**:** Primary data collected from greyman of three cities

FIG. 2:   COMPARISON OF MEAN MONTHLY INCOME OF GREYMEN
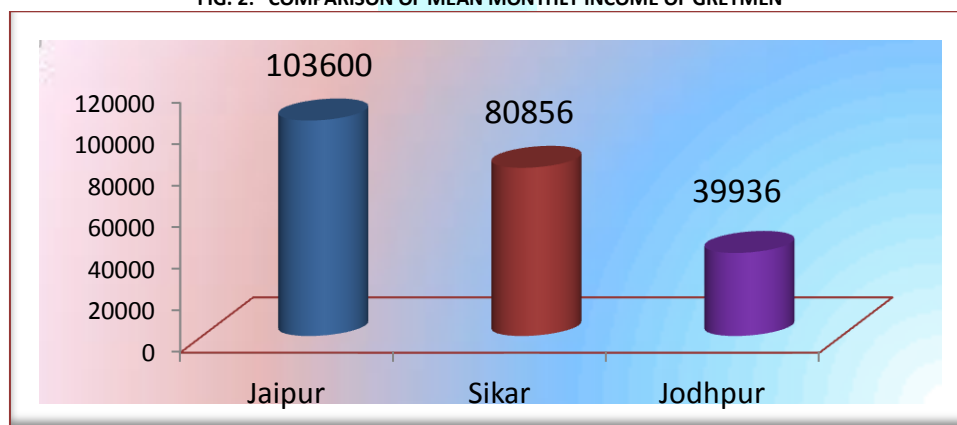
It came out that the greymen of Jaipur city are the highest earning traders among the rest. This is so because Jaipur is the trade centre for the entire state of Rajasthan as well as some nearby states for grey-cloth. In Sikar, although there are few traders who deal in grey, yet they earn lucratively because production of *Bandhej* clothes is of maximum quantity as shown in Figure 2**.** The traders of Jodhpur, on the other hand, earn meager profits. It is because synthetic and cotton cloth claim a chunk of 80% of the entire production. As synthetic and cotton are cheap in prices the turnover is not generally huge. Secondly, the production of *Bandhej* clothes is also less in comparison with the other two cities. However, the statistical analysis of the production and income was possible, because of small sample in Sikar.

PRODUCTION

Production is done under the supervision of the manufacturer where all three kinds of artisans work harmoniously one after the other. Manufacturer coordinates with all of them in order to produce the desired products in certain time limit. The manufacturer buys grey-cloth from the greymen. A manufacturer is dyer herself in most cases, a person from the *Neelgar* community who has a unit of some dyers under him.

In all the three cities most of the manufacturers (82%) buy grey material from the local grey traders. Only few of them (18%) buy directly from the big suppliers based in Surat or Bangalore. A manufacturer generally purchases 2000 to 5000 meters of cloth from the greyman twice in one year of production cycle on credit basis. However, the amount of the grey purchased is subject to the demand from the wholesalers and the type of fabrics. It varies in the three cities. The Table 4 depicts the quantity of different grey material purchased in one lot.

TABLE 4: QUANTITY OF GREY PURCHASED IN ONE LOT BY THE MANUFACTURER (n=22)

Variety	Jaipur	Sikar	Jodhpur
Silk	2000 meters	5000 meters	1000 meters
Cotton	1000 meters	1000 meters	1500 meters
Synthetic	Nil	1000 meters	2000 meters

Source: Primary data collected from manufacturer of three cities

All the manufacturers in Jaipur, Sikar and Jodhpur buy grey-cloth on credit basis and have to pay 1-2% interest/month on the purchase amount. The cost breakup of the different varieties of the grey material can be seen in the Table-2. Apart from the interest taken on the due amount, a greyman takes 2-5% margin on the costing of different grey materials. Similar results have been brought in forefront in a study done by (**Meher,2008**) revealed that weavers paid heavy rate of interest to Micro Finance Institute to purchase yarns from traders on credit basis (Meher, 2008). Similarly in Banaras weavers also buy raw material i.e. silk and zari on credit from local dealers as their economic status incapacitates them to buy in cash (**Singh and Naik, 2009**).

MEAN MONTHLY PRODUCTION AND INCOME OF A MANUFACTURER

Table 5 shows an assessment of a manufacturer's monthly income in the three cities. The cost of the product includes the cost of raw material, the interest paid on the grey-material's purchase and the cost of labour at every stage as reported by all the manufacturers. Manufacturers reported taking 4-6% margin on the total cost of the goods. The monthly income is calculated from the average production after adding the profit percent. The cost determination for a saree is shown in Table 2. Since there is a variation in price for different silks like *Ojharia*, Georgette, Italian and Crepe from Rs. 90-140, so the average price is taken to be Rs. 100 per meter. Hence, for a six meters of silk saree, the costing is taken Rs. 600. Similarly, costing of a synthetic saree of six meters for a manufacturer was taken as Rs. 300/- assuming the average price Rs. 50/meter.

We can see that mean monthly income of the manufacturers of Sikar is the highest among the three. This is so because the production of sarees is more in quantity in Sikar than the other two cities. In Jodhpur, on the other hand, the manufacturers are earning quite low i.e. about 12,000 per month only (Figure 2). It is due to less production than Sikar as well as less profit owing to low turnover resulting from quite low costing and poor quality of goods prepared. As Mr.

Iqramuddin expresses, "*The manufacturers of Jodhpur earn quite low because of less demand of its synthetic sarees and low costing of the goods*". Interestingly, with an equal quantity of production, a manufacturer of Jaipur would earn Rs. 26,400 as against Rs 12,000 of Jodhpur as shown in the fig.3.

TABLE 5: MEAN MONTHLY PRODUCTION AND INCOME OF A MANUFACTURER (n=22)

Costing of a Saree			
	Jaipur	Sikar	Jodhpur
Cost of grey for a saree	600	600	300
Interest to be paid (2% per month for six months)	72	72	24
Design imprint cost	05	05	04
Tying cost	180	200	50
Dying cost including colors cost	25	30	25
Total cost	882	907	403
Mean Income			
Profit percent @ 5% of the costing	44	45.35	20.15
Production in a month	600	800	600
Mean monthly income	26,400	36,280	12090

Source: Primary data collected from manufacturer of three cities

FIG. 3: COMPARISON OF MEAN MONTHLY INCOME OF MANUFACTURER
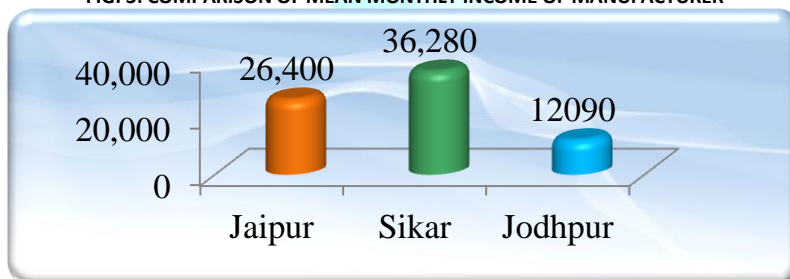
TIME CYCLE

To analyse the scenario the time cycle of production is taken into account, one lot of 180 sarees with value addition takes about 132 days in production process as shown in the Fig.4.

FIG. 4: TIME CYCLE OF PRODUCTION (180 SAREE)

Source: Primary data collected from traders (2013)

Thus the bulk of all sarees reach to the consumers through the retailers passing through this cycle of about 5-6 months.

DISTRIBUTION OF GARMENTS

The distribution of the *Bandhej* garments include three major categories of traders i.e. manufacturers, wholesalers and retailers. Meanwhile, the goods also pass through the hands of value addition workers as shown in the Fig. 5.

FIG. 5: FLOW CHART OF DISTRIBUTION CHANNEL
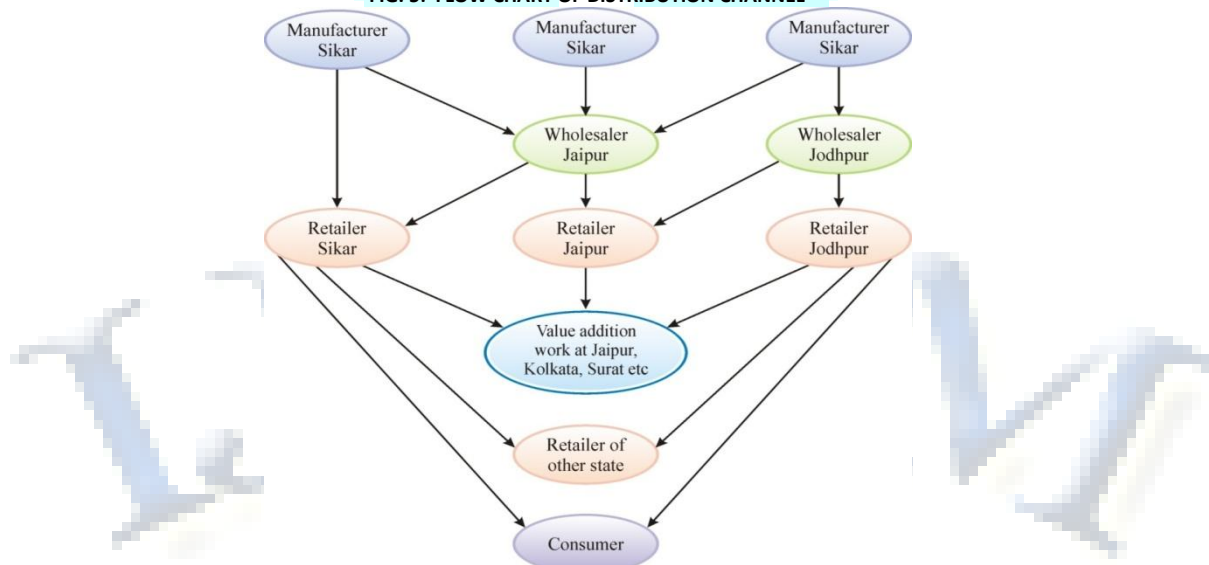
Source: Primary data collected from traders (2012)

WHOLESALING

After dying the clothes are sold by the manufacturers of the three cities to the wholesalers in Jaipur and Jodhpur cities and the transportation cost is borne by the manufacturer. All manufacturers of Sikar sell their garments to the Jaipur based wholesalers as there is no wholesale market in Sikar. Even the retailers of Sikar who sell *Bandhej* garments buy them from Jaipur based wholesalers. The wholesalers sell the major chunk to the retailers of Jaipur, Sikar and Jodhpur only and also to the retailers outside the state.

AVERAGE SALES AND INCOME OF A WHOLESALER

The wholesalers buy the garments from the manufacturers in big lots of 500-2000 pieces of a particular pattern of design in one month. The price of the garments is mutually decided after negotiations. All the wholesalers (100%) expressed that the purchase price of the *Bandhej* products are never fixed and are

subject to change depending upon the variety of cloth, complexity of the design, and demand from the retail markets. The wholesalers, then, sell the garments reaping 6-8% gross profit.

TABLE 6: MEAN INCOME OF A WHOLESALER (n=23)

Cities	Maximum Sales/month	Minimum Sales/month	Average Sales	Average Cost	Sales (in Rs)	Gross Profit @ 7%
Jaipur	1400	1000	1200	971*	1165200/-	77,784/-
Jodhpur	1200	800	1000	403	4,03000/-	28,210/-

Source: Prepared by own after collecting data from wholesalers of two cities

TABLE 7: T- TEST ANALYSIS FOR AVERAGE MONTHLY SALES OF WHOLESALER

City	N	Mean	Std. deviation	df	T-test		Sig.
					Calculated value	Tabulated value	
Jaipur	15	1200.00	119.523	21	3.992	2.518	.001 sig.*
Jodhpur	8	1000.00	103.510				

*Significant difference at .001 level

As we can see in the Table 7 the mean sales of Jaipur based wholesalers is 1200 pieces per month, which is higher than that of the average monthly sales of Jodhpur, where it is 1000 per month and t value shows there is significant difference between the average monthly sales of the wholesalers of the two cities. Interestingly, the difference between the mean income is quite vast. A Jaipur based wholesaler earns more than Rs. 75,000 per month, whereas Jodhpur based wholesalers earn just around Rs. 28000 per month. The difference in income is so vast because cotton and synthetic clothes are mainly sold in Jodhpur. The cotton and synthetic cloth are quite cheaper in comparison to silk which is sold in Jaipur. In addition to this the sales volume of Jodhpur based wholesalers is low, hence the income is also less.

RETAILING

It was revealed by the retailers (100%) of the three cities that they purchase the *Bandhej* products from the wholesalers (Jaipur and Jodhpur) only and not from the manufacturers. They in turn get the clothes finished and value addition work done on the saree. The finishing here means untying of the knots, separation of the thread and getting the clothes starched. In some cases the value addition work is done after getting the order from the customers also. Different kinds of value addition works are done on these sarees in and outside Rajasthan state. The costing of value addition work depends on its density and variety of work. It may cost Rs. 300/- to Rs. 1000/- per saree. Sometimes value addition may cost half of the costing of the garment itself. Thus the final price to the consumer becomes expensive in case of value addition work.

Thus the finished *Bandhej* products are sold to the consumers of the entire country and abroad. The retailers revealed that they not only sell the *Bandhej* products to the consumers directly, but also to the retailers of Rajasthan and other states. Moreover, they export the goods to the retailers of foreign countries also.

TABLE 8: SALES AREA FOR FINISHED *BANDHEJ* PRODUCTS (n=55)

Place	Jaipur		Sikar		Jodhpur		Total	
	ƒ	%	ƒ	%	ƒ	%	ƒ	%
Local City	25	100	10	100	20	100	55	100
Entire State	22	88	8	80	15	75	45	81.81
Other States	20	80	7	70	13	65	50	90.90
Abroad	10	40	1	10	1	5	7	12.72

* Multiple responses possible

Source: Primary data collected from retailers of three cities

AVERAGE SALES AND INCOME OF RETAILERS

The retailers are the maximum profit gainers in the chain. They purchase the goods from the wholesalers after mutual negotiations and bargaining and sell the products on 20-30% margin at least. It was revealed by many of the retailers that there is no fix pricing system for retailing of the *Bandhej* garments. As Mr. Manish Kabra, a retailer of Sikar states "*There is no logical way of pricing the Bandhej products. Although, generally the profit ratio is between 20-30%, yet in some cases it may go up to 50% or more.*" Mr. Jain, another retailer of Sikar expressed that in some cases the margin can be up to 50% also. Table 9 shows mean income of a retailer in each of the cities. The scenario of the sales volume of the retailers of the three cities is Rs. 1.5 lac to 3.5 lac and profit from 26 thousand to 89 thousand. The retailers of Jaipur earn highest profit owing to high sales of *Bandhej* garments there. Sikar comes next in sales as well as income.

TABLE 9: MEAN SALES AND INCOME OF A RETAILER (n=55)

Cities	Maximum Sales/ month	Minimum Sales/month	Average Sales	Purchase Rate of a saree*	Costing of Value addition	Net Costing	Sales volume /month	Gross Profit @ 25%
Jaipur	250	180	215	1151*	500	1651	354965	88741.25
Sikar	200	150	175	1151*	550	1701	297675	74418.75
Jodhpur	200	150	175	403	200	603	105525	26381.25

Source: Primary data collected from retailers of three cities

The mean sales unit of Jaipur retailers is 215 whereas 174.50 in Sikar and 175.00 in Jodhpur as shown in the Table 10. The F value shows the substantial difference in the sale of the retailers of the three cities.

TABLE 10: ANOVA ANALYSIS FOR AVERAGE MONTHLY SALES OF RETAILER

City	N	Mean	S.d.	Source of variation	Sum of squares	df	Mean squares	F
Jaipur	25	215.00	41.758	Between group	22002.045	2	11001.023	5.585*
Sikar	10	174.50	31.309	Within group	102422.500	52	1969.663	
Jodhpur	20	175.00	52.189	Total	124424.545	54		
Total	55	193.09	48.002					

*Significant difference at .06 level

TABLE 11: POST-HOC: MULTIPLE COMPARISONS

City		Mean Difference	Std. Error	Sig.
Jaipur	Sikar	40.500*	16.606	.047
	Jodhpur	40.000*	13.314	.011
Sikar	Jodhpur	-.500	17.189	1.000

*Significant difference

Further, the results of post hoc analysis, given in the Table 11, shows that the mean differences, between Jaipur and Sikar's production is 40.50, which is significant at the level of .047. The mean difference between Jaipur and Jodhpur's production is 40.00, which is significant at .011. The mean difference between Sikar and Jodhpur's production is -.50, which is negligible. It shows that there is no difference between the sales units of Sikar and Jodhpur, whereas there is

observable difference between the sales units of Jaipur and Sikar and also in Jaipur and Jodhpur's sales units. This is because Jaipur is the capital city always thronged with customers and tourists. Therefore sales of *Bandhej* garments are quite high here.

The table 9 shows that the difference in the mean sales volume and mean income is big in all the three cities. Noticeably, the retailers of Jodhpur earn fewer profits on the same sales units of goods as Sikar. It is because the product type is of low value and hence this difference. In Jodhpur cheap grey material like cotton and synthetic is used. That is why the sales volume and the income of Jodhpur based retailers are quite less than that of the other two. In Jaipur and Sikar, on the other hand, the sales volume and income is higher because chiefly high quality products (silk garments) are sold. Thus there is substantial difference in the income of the retailers of the three cities. The study apparently found the substantial differences in the production and the income of the traders of the three cities.

DIFFERENCE IN INCOME AMONG THE CROSS-SECTION OF THE TRADERS

The income of various traders as tabulated in the table 12 depicts vividly the difference amongst the cross-section of the various stake holders of the traders' category. The study found that the raw material suppliers (grey traders) of Jaipur are the highest earners owing to their high sales volume. The retailers of Jaipur are the second highest earners in the entire chain. Jaipur being the tourist center and state business center, records good sales. Wholesalers of Jaipur also earn good income due to the same reason. Jaipur based traders are enjoying the geographical location opportunity but manufacturers still don't get high profits.

Similarly, the greymen of Sikar also earn pretty handsome average income being as good as Rs. 80586 per month. This is because of major sales is of high quality product. However, in Jodhpur all the categories of traders earn quite low profits owing to their low sales volume because of cheap grey material used such as cotton, synthetic etc

TABLE 12: MEAN MONTHLY INCOME OF TRADERS

City	Greyman	Manufacturer	Wholesaler	Retailer
Jaipur	103600	26,400	77,784	88741.25
Sikar	80586	36,280	-	74418.75
Jodhpur	39936	12090	28,210	26381.25

Source**:** Primary data collected from traders of three cities

FIG. 6: MEAN MONTHLY INCOME OF TRADERS
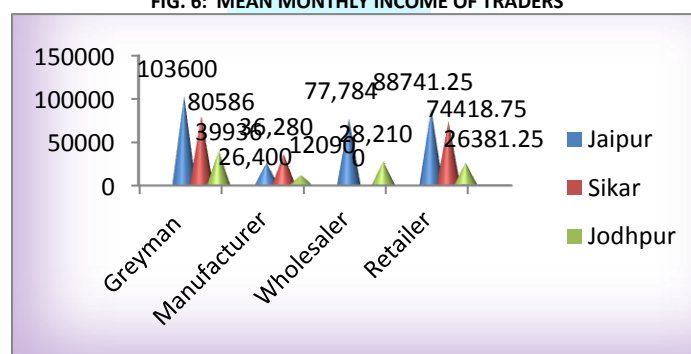
It is especially mentionable that the manufacturers of the three cities earn quite low income in comparison to their other trading counterparts. This may be due to various reasons including their low investment, high interest rate on loan amount, their lack of business skills and competition among themselves. As the manufacturers purchase grey on credit, they have to pay interest. Sometimes when the tiers or dyers take more than the stipulated time in delivering the order, the manufacturers have to pay more interest on the amount due to the grey man. (**Jain & Tiwari, 2013).** Moreover, their internal business rivalry and threats of imitation garments are also main reasons behind their low profit ratio.
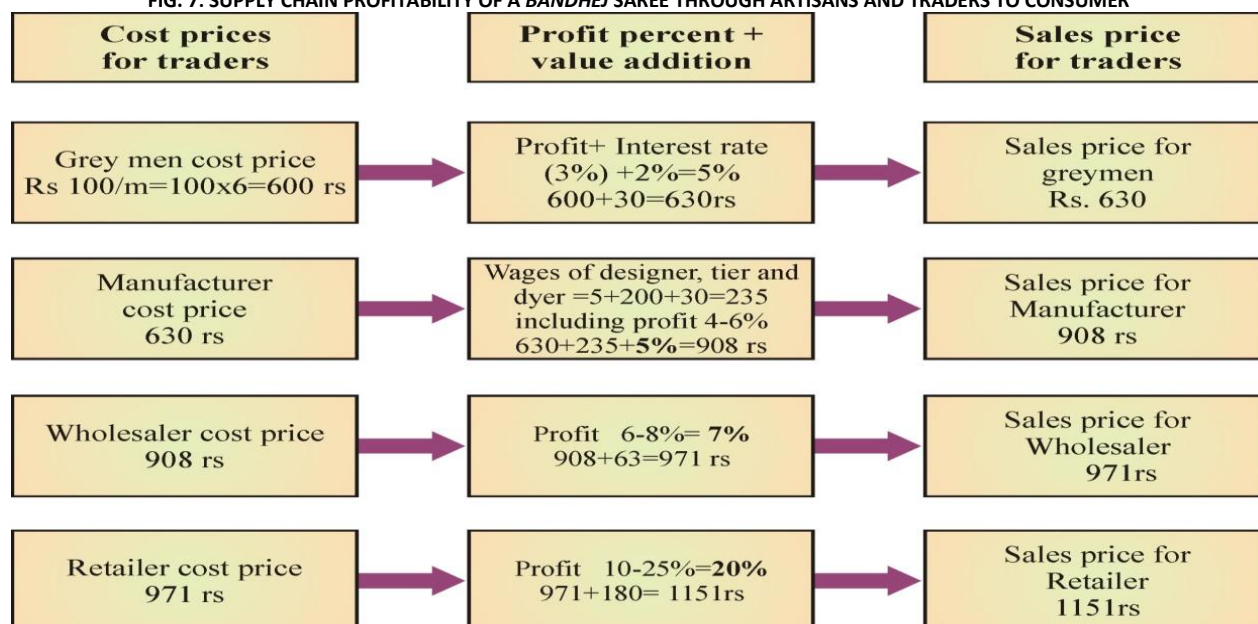
On the other hand, raw material supplier, the greymen in all the three cities earn better than the other traders due to the small number of grey shops. It is almost monopoly of few traders in all the three cities. This results in high sales volume for the greymen. Consequently, the grey traders are highest earners in the chain as shown in fig.6.

SUPPLY CHAIN PROFITABILITY

The aim to study supply chain is to examine the value generated, which in turn is reflected through supply chain profit. Supply chain profit is the difference between the revenue generated from the customers and the cost incurred on the product at various stages of supply chain. Thus profitability at various stages and overall profitability is examined. The pricing of the *Bandhej* products varies according to the price of grey material and the cost of labour on it. The price of the grey varies depending on the demand and supply. Secondly, the labour pricing depends on the density of knots in the design and also on the number of colours to be dyed. Moreover, the price of the products is primarily decided with the negotiation between the manufacturers and wholesalers, which is not a standard way of business. The Fig.7. gives a tentative idea of the costing at every level and the resultant pricing of *Bandhej* saree. To begin with, the greyman's profit is about 3% and manufacturers' profit is 5%. At later stage, of distribution wholesaler's profit is 7% and retailer's is 20%. At retailing stage it increases up to 50% with value addition in some cases. Here, it become clear that as the product progresses from grey stage to final sales stages, the profit percent increases as well as the values of the product increases and so the risk involved with enormous capital blocked.

FIG. 7: SUPPLY CHAIN PROFITABILITY OF A *BANDHEJ* SAREE THROUGH ARTISANS AND TRADERS TO CONSUMER

Cost prices for traders	Profit percent + value addition	Sales price for traders
Grey men cost price Rs 100/m=100x6=600 rs	Profit+ Interest rate (3%) +2%=5% 600+30=630rs	Sales price for greymen Rs. 630
Manufacturer cost price 630 rs	Wages of designer, tier and dyer =5+200+30=235 including profit 4-6% 630+235+**5%**=908 rs	Sales price for Manufacturer 908 rs
Wholesaler cost price 908 rs	Profit 6-8%= **7%** 908+63=971 rs	Sales price for Wholesaler 971rs
Retailer cost price 971 rs	Profit 10-25%=**20%** 971+180= 1151rs	Sales price for Retailer 1151rs

Source: Primary data collected from traders (2012)

In whole process of this production cycle the artisans are the lowest gainer of profits. They only get meager wages as return of their labour. Singh and Naik (2009) have also recorded that 76% of the Banaras weavers of silk sarees get low wages. Thus the traders' categories reap the real benefit of the craft, whereas the craftsmen are deprived of their rightful share. The pricing also depends on the final beauty and fineness of the garment produced as also on the demand in the market. For instance, before the *Shrawan* month of Hindu calendar the prices of *Leheria* sarees go up.

CONCLUSION

In the entire supply chain manufacturer in spite of being the main player, as he is the producer of the product in terms of process production, earns the lowest. As the turnover is huge in this process industry, the profitability of the manufacturer needs to be examined (low profits for the manufacturers is an area of concern). According to (Porte, 2004) there are five forces of profitability: bargaining power of supplier and buyer, threat of new entrants, threat of substitute products and internal rivalry among existing players of the trade. For this *Bandhej* process industry the grey supplier has an upper hand as manufacturer purchases on the credit and has to pay interest in addition to the profit margin on his purchase. The supply of the raw material, being dependent on China, the greymen are also in the position to dictate terms and the suppliers bargaining power results into less profit for the manufacturer. Examining the structure of this industry, the production process takes a long time as it is a hand craft and chances are there that many times due to long supply chain and number of artisans, one after the other, and the challenges the manufacturers face that the product might be damaged or it does not come out as desired by the buyer. Hence, the wholesaler who is the buyer also becomes powerful and can bargain which again ensures less profit for the manufacturer as he is solely dependent on the wholesaler for selling his products. Constant threats are there from the new entrants as in this industry as any potential dyer (artisan) can become the manufacturer, besides it does not require big infrastructure, technology or space so the entry barrier in this trade is not high and any dyer can turn into manufacturer. Threat of machine made substitute is always there as *Bandhej* clothes are a must purchase so the less paying customers buy the screen printed substitute. The last and the most important force determining profitability is the internal rivalry among the manufacturers. The wholesalers take advantage of the internal rivalry of the manufacturers and negotiate the price upto minimum level possible. This, consequently, lowers the profit ratio of the manufacturers.

RECOMMENDATIONS

Following recommendations are suggested on the basis of the findings of the study:
- The sector should be made more organized, for which government and NGOs should take intervention steps.
- Workshops on marketing strategies and distribution system can be helpful if the resource person comes down to their level and interacts in their language.
- Reserved price system should be implemented by the government for such handicrafts sector also.
- Some of the manufacturers who produce really beautiful products can approach the exporters directly to earn more profits.

SCOPE FOR FURTHER RESEARCH

1. The present study was to examine the supply chain profitability of the craft Industry. This kind of a study can be done on other crafts of national heritage.
2. A study on the supply chain and comprehensive issues and challenges involved in it can be taken in which a suitable model for marketing or a strategy can be worked out.
3. A study on the need of intervention to improve the working conditions, techniques and other production processes in the *Bandhej* craft can be taken up.

ACKNOWLEDGEMENT

REFERENCES

1. Jain, R & Tiwari, A. (2013). "Challenges in Supply Chain of Tie and Dye Apparels" Paripex Indian Journal of Research Vol. 3, Issue 5 pp. 143-45.
2. Jones, L. , Perveen S .,(2005). Middlemen as Agents of Change: MEDA and ECDI in Pakistan. Learn-ing Paper from the Practitioner Learning   Program in BDS Market Assessment. SEEP Network, Washington, D.C.
3. Meher,S.,(2008):Diagnostic study of Bargarh handloom cluster of Orissa. viewed on January 02, 2012 http://www.clustercollaboration.eu/documents /270930 /0/Diagnostic+Study + Report +of+Bargang-+Handloom.pdf
4. Porter, M. E., (2004), "Competitive Advantage." Free Press, New York
5. Porter, M. E., (2008), "On Competition." Harvard Business Press, U S A
6. Singh, A. & Naik, S. D. (2009). "Status of Banaras weavers: A profile" Karnataka Journal of Agricultural Sciences, Vol. 22, No. 2, pp. 408-11.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you tosupply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail**infoijrcm@gmail.com** for further improvements in the interest of research.

If youhave any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, nor its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal is exclusively of the author (s) concerned.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT   55

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

http://ijrcm.org.in/

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals