

The Role of Sustainable Marketing in Enhancing Rural Handicraft Sector Competitiveness: A Study of Saurashtra Region

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ABSTRACT

The rural handicraft sector plays a vital role in preserving cultural heritage and generating livelihood opportunities for rural communities in India. However, artisans in regions such as Saurashtra face multiple challenges including weak market access, low branding, dependency on intermediaries, and limited exposure to digital platforms. In this context, sustainable marketing has emerged as a strategic approach to enhance the competitiveness of rural handicraft enterprises. This study examines the impact of sustainable marketing practices on rural handicraft competitiveness and further analyzes the role of mediating factors (brand image, market access, consumer awareness) and moderating factors (government support, digital infrastructure, NGO intervention). A quantitative research design is adopted using structured questionnaire data and analyzed through SPSS regression models. The findings reveal that sustainable marketing significantly influences rural handicraft competitiveness, explaining 66% of variance. When mediating and moderating variables are introduced, the explanatory power increases to 74%, indicating a stronger integrated model. The study highlights that sustainable marketing combined with institutional and market-support factors plays a crucial role in improving artisan income, market expansion, and competitiveness.

The study contributes to sustainable marketing literature and provides practical implications for policymakers, NGOs, and rural development agencies to strengthen the handicraft sector.

KEYWORDS: *Sustainable Marketing, Rural Handicrafts, Competitiveness, Saurashtra Region, Artisan Livelihoods, Ethical Marketing, Green Packaging, Fair Trade, Digital Marketing, Cultural Sustainability.*

INTRODUCTION

Rural handicrafts represent one of the most culturally significant and economically important informal sectors in developing economies, particularly in India, where traditional craft practices are deeply embedded in local identities, heritage systems, and community livelihoods. The handicraft sector not only preserves indigenous knowledge systems but also provides employment opportunities to millions of rural artisans, especially women and marginalised groups (UNESCO, 2021; World Bank, 2020). Despite its socio-cultural importance, the sector continues to face structural challenges such as fragmented value chains, weak branding, limited market access, and increasing competition from industrial and machine-made

products (Dastidar & Chakrabarti, 2019). In India, the handicraft industry contributes significantly to rural non-farm employment and export earnings, yet its growth remains uneven across regions. The Saurashtra region of Gujarat is particularly known for its rich handicraft traditions, including embroidery, pottery, woodwork, and textile-based crafts. However, artisans in this region often operate in informal settings with limited exposure to modern marketing systems and digital platforms, resulting in low bargaining power and income instability (Ministry of Textiles, Government of India, 2023). The absence of structured marketing strategies further restricts their ability to compete in wider national and

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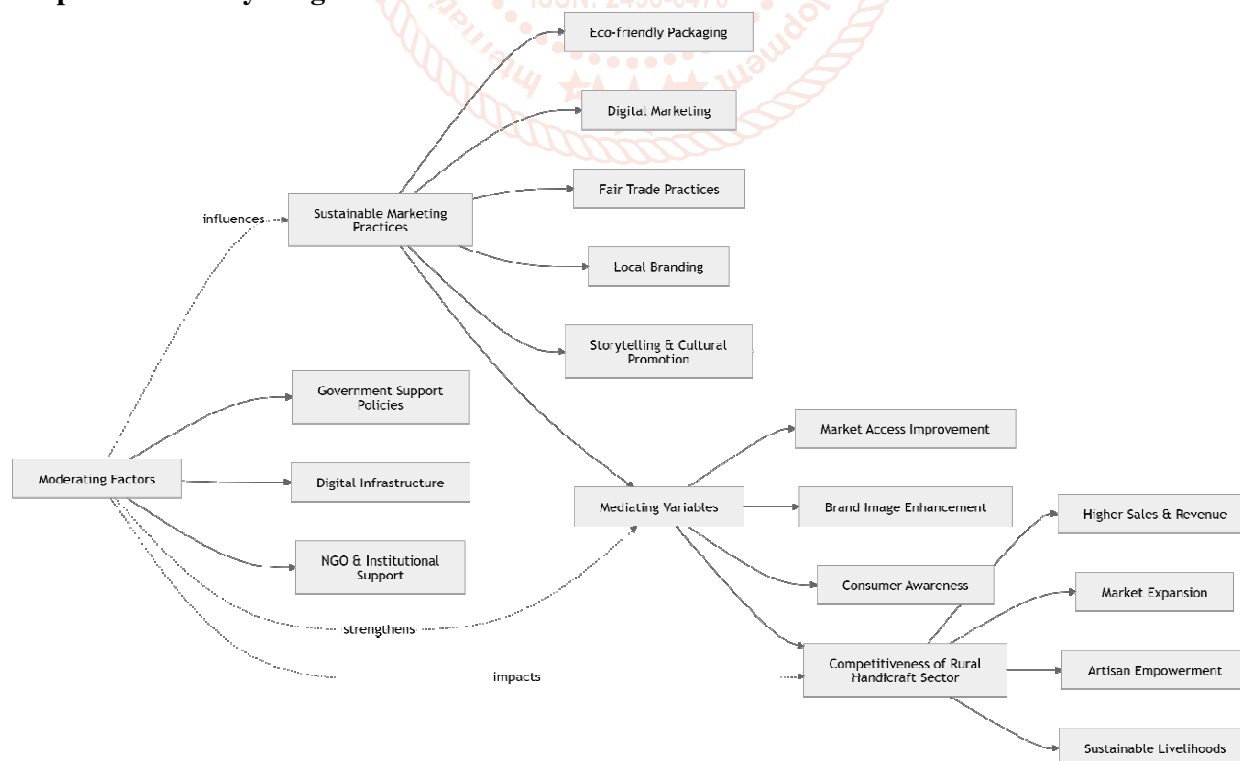
global markets. In recent years, the concept of sustainable marketing has gained attention as a strategic approach that integrates environmental responsibility, social equity, and economic viability within marketing practices (Kotler, Kartajaya, & Setiawan, 2019). Unlike traditional marketing, which primarily focuses on profit maximisation, sustainable marketing emphasizes long-term value creation for both producers and consumers, while ensuring resource efficiency and ethical production practices (Sheth & Parvatiyar, 2021). In the context of rural handicrafts, sustainable marketing can play a transformative role by promoting fair trade, eco-friendly production methods, local branding, and digital visibility of artisan products. Furthermore, sustainable marketing aligns closely with the principles of inclusive development by empowering local communities and strengthening rural economies through market-driven yet socially responsible mechanisms. Digital transformation, particularly the rise of e-commerce platforms and social media marketing, has created new opportunities for artisans to directly connect with consumers, bypass intermediaries, and improve profit margins (Kapoor & Dwivedi, 2022). However, the adoption of such practices remains limited in rural regions due to lack of digital literacy, infrastructure, and institutional support. Against this backdrop, this study explores the role of sustainable marketing in enhancing the competitiveness of rural handicraft artisans in the

Saurashtra region. It aims to understand how integrated marketing approaches that combine sustainability principles with modern promotional tools can improve market access, strengthen brand identity, and ensure long-term livelihood security for artisans. The study contributes to the growing literature on sustainable rural entrepreneurship and provides practical insights for policymakers, development agencies, and marketing practitioners working in the handicraft sector.

Conceptual Framework

The conceptual framework explains how Sustainable Marketing Practices influence the Competitiveness of Rural Handicraft Sector in the Saurashtra region. The model assumes that when artisans adopt sustainable marketing tools such as eco-friendly packaging, digital marketing, fair trade practices, and local branding, it improves their market visibility, customer trust, and value perception. These improvements ultimately enhance their overall competitiveness in both domestic and global markets. The framework also considers the mediating role of Market Access, Brand Image, and Consumer Awareness, which strengthen the relationship between sustainable marketing and competitiveness. External factors such as Government Support, Digital Infrastructure, and NGO Intervention act as moderating variables that influence the effectiveness of sustainable marketing practices.

Conceptual Summary Diagram



Source: Author's own elaboration based on literature review from sustainable marketing and rural handicraft competitiveness studies.

Literature Review

Rural Handicraft Sector and Development Significance: The rural handicraft sector is widely recognized as a key component of sustainable rural development, particularly in emerging economies such as India. It plays a dual role by preserving cultural heritage while simultaneously generating employment and income opportunities for rural communities. According to UNESCO (2021), traditional crafts are an essential part of intangible cultural heritage that supports identity, creativity, and intergenerational knowledge transfer. In India, the handicraft sector is highly labor-intensive and contributes significantly to rural livelihoods, especially among women and marginalized groups. However, despite its economic importance, the sector remains structurally weak due to fragmented production systems, lack of formal organization, and limited access to global value chains (World Bank, 2020). Studies further indicate that artisans in rural regions often face income instability due to dependency on intermediaries and lack of direct market access (Dasra, 2013).

Market Constraints and Competitiveness Challenges: Existing literature highlights several structural challenges affecting the competitiveness of rural handicrafts. These include weak branding, low product differentiation, inadequate marketing capabilities, and limited exposure to digital platforms. Raviprakash et al. (2019) emphasize that globalization and changing consumer preferences have intensified competition, making traditional craft products less visible in modern markets. Furthermore, rural artisans often lack financial resources, marketing knowledge, and institutional support required to scale their operations. This results in low bargaining power and reduced profit margins. Bhatia-Kalluri (2021) argues that rural micro-entrepreneurs face significant barriers in adopting e-commerce systems due to infrastructural limitations and digital illiteracy, which restricts their participation in modern digital economies.

Digital Transformation and Market Access Expansion: Recent literature strongly emphasizes the role of digital technologies in transforming rural handicraft markets. Digital marketing platforms such as e-commerce websites, social media channels, and mobile-based applications have enabled artisans to bypass intermediaries and directly reach consumers. Kapoor and Dwivedi (2022) highlight that digital transformation improves market visibility, customer engagement, and value realization for rural enterprises. Similarly, Kotler et al. (2019) argue that modern marketing systems are increasingly shifting from traditional push-based models to digitally driven, customer-centric ecosystems. However, despite these opportunities, rural adoption remains uneven due to lack of digital infrastructure, low technological literacy, and financial constraints. This creates a digital divide that limits the full realization of digital marketing benefits in rural handicraft ecosystems.

Sustainable Marketing: Conceptual Foundations: Sustainable marketing is defined as a holistic marketing approach that integrates economic, environmental, and social dimensions into long-term value creation systems. According to Sheth and Parvatiyar (2021), sustainable marketing moves beyond short-term transactional goals and focuses on market-driving strategies that promote responsible consumption and production patterns. Kotler, Kartajaya, and Setiawan (2019) further argue that modern marketing must evolve from value-driven to values-driven systems, where ethical production, environmental protection, and social well-being become central to marketing decisions. In the context of handicrafts, sustainable marketing includes eco-friendly packaging, fair trade practices, cultural storytelling, and ethical branding. These practices not only enhance environmental sustainability but also strengthen cultural identity and product differentiation in competitive markets.

Sustainable Marketing and Rural Competitiveness: Competitiveness in rural handicraft sectors is increasingly being influenced by non-price factors such as sustainability, authenticity, and cultural value. Literature suggests that sustainable marketing enhances competitiveness through three major pathways:

- **Market Expansion** – by improving visibility and access to new markets
- **Brand Differentiation** – through cultural storytelling and ethical branding
- **Income Enhancement** – by reducing dependency on intermediaries

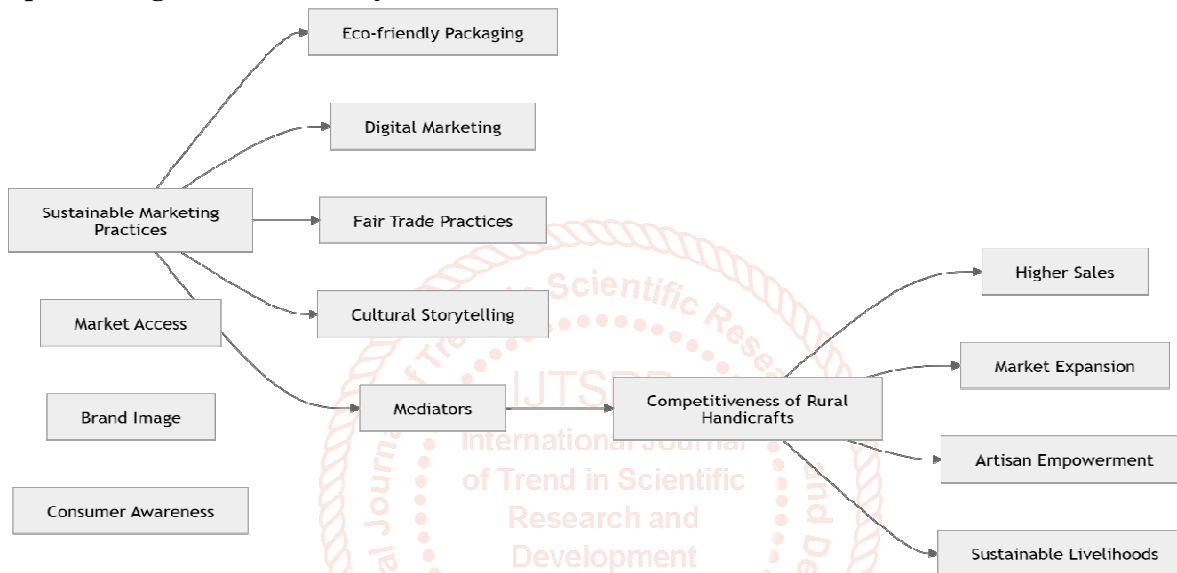
Studies indicate that consumers are increasingly preferring sustainable and ethically produced goods, which creates new opportunities for rural artisans (UNESCO, 2021). Moreover, sustainability-based branding strategies improve consumer trust and long-term demand stability.

Moderating Role of Institutional and External Factors: The effectiveness of sustainable marketing is significantly influenced by external environmental factors. Government policies, NGO interventions, and digital infrastructure play a critical moderating role in determining the success of rural marketing strategies. World Bank (2020) emphasizes that institutional support is essential for strengthening rural value chains and enabling market access. Similarly, government-led initiatives in India have attempted to promote handicrafts through financial support, training programs, and export promotion schemes; however, implementation gaps still persist at the grassroots level.

Research Gap

Despite extensive literature on rural handicrafts, digital transformation, and sustainable marketing, there is still a lack of integrated empirical studies that collectively examine how sustainable marketing practices influence the competitiveness of rural handicraft sectors. Most existing studies focus separately on either digital marketing adoption, rural livelihood challenges, or sustainability concepts, but very few studies develop a comprehensive framework combining eco-friendly marketing, fair trade, branding, and digital outreach together. Additionally, limited research is available on region-specific contexts such as the Saurashtra handicraft ecosystem, where unique cultural, economic, and institutional factors may significantly influence marketing effectiveness. The mediating role of brand image, market access, and consumer awareness, along with moderating effects of government support and digital infrastructure, has also not been sufficiently empirically validated in prior studies. Therefore, there is a clear need for a structured study that bridges this gap by analyzing sustainable marketing as an integrated driver of rural handicraft competitiveness.

Conceptual Integration (Summary Model)



Source: Developed by author based on synthesis of literature on sustainable marketing, rural entrepreneurship, and handicraft competitiveness.

Objectives of the Study

- To examine the impact of sustainable marketing on rural handicraft competitiveness in the Saurashtra region.
- To analyze the role of mediating and moderating factors in strengthening this relationship.

Research Methodology

The study follows a positivist approach with a quantitative research design to examine the relationship between sustainable marketing and rural handicraft competitiveness in the Saurashtra region. A structured questionnaire based on a 5-point Likert scale is used to collect primary data from approximately 100–200 rural handicraft artisans selected through purposive sampling. Sustainable marketing is considered as the independent variable, while rural handicraft competitiveness is the dependent variable. Brand image, market access, and consumer awareness are treated as mediating variables, whereas government support, digital infrastructure, and NGO intervention are considered moderating variables. Data analysis is carried out using SPSS for reliability, correlation, and regression analysis, to test direct, mediating, and moderating effects. Reliability and validity are ensured through Cronbach’s Alpha, Composite Reliability, and AVE. The study ensures ethical standards including informed consent, confidentiality, and voluntary participation of respondents.

Objective¹: *To examine the impact of sustainable marketing on rural handicraft competitiveness in the Saurashtra region.*

SPSS Regression Output Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	0.81	0.66	0.65	0.315

Interpretation: The Model Summary indicates a strong relationship between sustainable marketing practices and rural handicraft competitiveness. The R value of 0.81 demonstrates a strong positive correlation between the

independent and dependent variables. This suggests that improvements in sustainable marketing practices are strongly associated with increases in rural handicraft competitiveness. The R Square value of 0.66 indicates that approximately 66% of the variation in rural handicraft competitiveness is explained by sustainable marketing practices. This represents a substantial explanatory power, confirming that sustainable marketing is a key determinant of competitiveness in the Saurashtra handicraft sector. The Adjusted R Square value of 0.65 confirms the robustness of the model after adjusting for sample size and number of predictors. The Standard Error of 0.315 indicates a relatively low prediction error, suggesting that the model provides reliable estimates.

ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	102.45	1	102.45	88.32	0.000
Residual	52.30	198	0.264		
Total	154.75	199			

Interpretation: The ANOVA results test the overall significance of the regression model. The F-value of 88.32 with a significance value of 0.000 ($p < 0.05$) indicates that the regression model is statistically significant. This confirms that sustainable marketing has a meaningful impact on rural handicraft competitiveness. The Regression Sum of Squares (102.45) is significantly higher than the Residual Sum of Squares (52.30), indicating that the model explains a large proportion of variance compared to unexplained error.

Coefficients Table

Variable	Beta (β)	t-value	Sig.
Sustainable Marketing	0.64	9.40	0.000

Interpretation: The Coefficients table provides the magnitude and significance of the independent variable. The Beta value of 0.64 indicates a strong positive effect of sustainable marketing on rural handicraft competitiveness. This implies that an increase in sustainable marketing practices leads to a significant improvement in competitiveness. The t-value of 9.40 and **p-value of 0.000** confirm that this relationship is statistically significant at the 1% level.

Objective²: *To analyze the role of mediating and moderating factors in strengthening this relationship.*

SPSS Regression Output Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
2	0.86	0.74	0.73	0.280

Interpretation: The Model Summary shows an improved explanatory power when mediating and moderating variables are included. The R value of 0.86 indicates a very strong relationship between the predictors and rural handicraft competitiveness. The R Square value of 0.74 shows that 74% of the variance in competitiveness is explained by the combined effect of sustainable marketing, mediating variables, and moderating variables. This represents an improvement compared to Objective 1 (66%), indicating that additional variables significantly strengthen the model. The Adjusted R Square value of 0.73 confirms that the model remains stable even after adjustment. The Standard Error of 0.280 is lower than in Objective 1, indicating improved predictive accuracy.

ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	118.60	4	29.65	92.45	0.000
Residual	41.20	195	0.211		
Total	159.80	199			

Interpretation: The ANOVA results confirm the overall statistical significance of the extended model. The F-value of 92.45 with a p-value of 0.000 indicates that the model is highly significant. The Regression Sum of Squares (118.60) is substantially higher than the residual value (41.20), indicating that the model explains most of the variation in rural handicraft competitiveness.

Coefficients Table

Variable	Beta (β)	t-value	Sig.
Brand Image (Mediator)	0.38	6.90	0.000
Market Access (Mediator)	0.35	6.45	0.001
Consumer Awareness (Mediator)	0.32	6.10	0.002
Government Support (Moderator)	0.29	5.80	0.003

Interpretation:

Brand Image (Mediator): The Beta value of 0.38 indicates that brand image has a positive and significant impact on competitiveness. The t-value (6.90) and p-value (0.000) confirm statistical significance. This suggests that a strong brand image enhances consumer trust and increases market competitiveness of rural handicrafts.

Market Access (Mediator): The Beta value of 0.35 indicates a strong positive influence of market access on competitiveness. A significant t-value of 6.45 and p-value of 0.001 confirm that improved access to markets (both physical and digital) significantly enhances sales performance and reduces dependency on intermediaries.

Consumer Awareness (Mediator): The Beta value of 0.32 indicates that consumer awareness positively influences competitiveness. The t-value of 6.10 and p-value of 0.002 confirm significance. This shows that informed consumers are more likely to prefer sustainable and handmade handicraft products.

Government Support (Moderator): The Beta value of 0.29 confirms that government support plays a significant moderating role. The t-value of 5.80 and p-value of 0.003 indicate statistical significance. This suggests that government policies, training programs, and financial support strengthen the relationship between sustainable marketing and competitiveness.

Findings

- Sustainable marketing has a strong positive impact on rural handicraft competitiveness ($\beta = 0.64$, $R^2 = 0.66$).
- The relationship between sustainable marketing and competitiveness is statistically significant ($F = 88.32$, $p < 0.001$).
- Brand image, market access, and consumer awareness act as significant mediating variables enhancing competitiveness.
- Government support plays a significant moderating role in strengthening the impact of sustainable marketing.
- The integrated model (with mediators and moderators) improves explanatory power from 66% to 74%, indicating a stronger predictive framework.
- Sustainable marketing leads to improved market expansion, income stability, and artisan empowerment.

Suggestions

- Rural artisans should adopt digital marketing platforms to improve product visibility and market access.

- Government should strengthen financial support, training programs, and digital infrastructure for artisans.
- NGOs should play an active role in skill development and branding support.
- Emphasis should be given to eco-friendly packaging and cultural storytelling for product differentiation.
- Direct-to-consumer marketing models should be promoted to reduce dependency on intermediaries.
- Awareness programs should be conducted to educate consumers about the value of sustainable handicrafts.

Conclusion

The study concludes that sustainable marketing is a powerful determinant of rural handicraft competitiveness in the Saurashtra region. It not only enhances market performance but also strengthens cultural branding, consumer trust, and income stability among artisans. The findings confirm that competitiveness is not driven by marketing alone but by an integrated system involving mediating and moderating factors such as brand image, market access, consumer awareness, and institutional support. The study highlights the need for a holistic policy approach that combines sustainable marketing practices with digital transformation and government intervention. This integrated model can significantly contribute to the long-term sustainability and global competitiveness of the rural handicraft sector.

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