

FINAL REPORT

STUDY FOR PREPARATION OF MARKETING STRATEGY AND IMPLEMENTATION PLAN FOR BAMBOO HANDICRAFTS OF TRIPURA

Submitted to



Submitted by



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1. Brief Background of the Study

Tripura Bamboo Mission (TBM), launched in 2006, is an initiative of Government of Tripura to accelerate holistic development of Bamboo Sector in Tripura. The primary objective of the Mission is to scale-up the turnover of Bamboo sector and to simultaneously increase creation of livelihood opportunities within the State. It is the nodal agency for implementation of all bamboo value addition development projects in the State. Institutional structure of Tripura Bamboo Mission has been strengthened by registering it under the Societies Registration Act 1860, headed by the Chief Secretary, Government of Tripura.

The Mission has adopted cluster development approach involving institution building, industrial linkages, better market and credit facilities coupled with resource up-gradation, in order to achieve its objectives. It is being implemented in a PPP mode wherein IL&FS Cluster Development Initiative (IL&FS Clusters) is appointed as the Project Implementation Agency (PIA). IL&FS Clusters commissioned a study to MART for market and strategy development plan for TBM.

2. Objectives of the Study

The updated objectives of this study is as follows

- Understand the existing supply chain and issues and challenges with primary producers associated with TBM
- Identify potential buyers and markets for the selected products
- Understand demand and market trends in identified markets for selected high value and high margin bamboo handicraft products
- Develop a data base of existing and potential market players for establishing linkages in identified markets
- Suggest an appropriate futuristic business outlook for the selected products

3. Observations, Insights and Future course of action in the context of deliverables

The deliverables of this assignment as outlined in the contract document needs to undergo modification in order to align it with the updated version of the objectives and meet the expressed requirements of IL&FS cluster team. The modified deliverables as agreed in the inception report are as follows

3.1. Proposed Modification in the Deliverables

Table 1

Column 1	Column 2	Column 3	Column 4
Deliverable as in contract document	Status of Deliverable	Reasons in Brief:	Modified Deliverable
Identification of 5-7 bamboo handicraft products having ready market nationally and potential products that can be scaled up.	<ul style="list-style-type: none"> • Proposed for modification • Modified deliverable is in Column 4 of the table 	<ul style="list-style-type: none"> • There exists no precedence of catering to a particular market, hence the market segment is neither identified nor there exist any clarity on the same. No supporting sales data which can be extrapolated to arrive at the current and potential market demand of the new era products promoted by TBM. • TBM mandates itself to work in 	Assist TBM team in selection of 5-7 bamboo handicraft products belonging to high value high margin category

Column 1	Column 2	Column 3	Column 4
Deliverable as in contract document	Status of Deliverable	Reasons in Brief:	Modified Deliverable
		high value high margin product category and is interested in catering to niche markets.	
List of 5-7 such bamboo products with specifications, volume and sub sector analysis include a generic assessment of competition based on the market findings. Collect generic consumer preferences from the concerned market players.	• No modification		
Identification of major issues and challenges in the supply chain of 5-7 products and recommendation to address the same. Understand the capabilities of the supply side to produce and maintain B2B relations	<ul style="list-style-type: none"> • Proposed for modification • Modified deliverable is in Column 4 of the table 	<ul style="list-style-type: none"> • IL&FS team has informed the MART team that they are aware of supply side issues and are working towards overcoming the identified shortcomings. The scope of this study has also been limited to only 5-7 high value-high margin new age handicraft products promoted by TBM. Further, selection parameters for these products take into account the production side feasibility and established supply capabilities of the clusters. • Therefore, relevance of studying supply side constraints is rendered unimportant because only those products that have established supply-side potential are selected. 	Understand generic buyers' requirements that affect production processes with specific focus on quality parameters and standardization, order volume and batching, order cycle and gestation, order delivery and payment processes.
Identification of key buyers/traders with contact details for the identified 5-7 handicraft products along with terms of trade across the studied markets	<ul style="list-style-type: none"> • Proposed for modification • Modified deliverable in Column 4 of the table 	<ul style="list-style-type: none"> • The new-age products developed by TBM have never been test marketed among mainstream buyers in the technical sense. Sales achieved by production clusters are always facilitated by TBM and mostly to institutions that act as one-time buyers. • Managers of production clusters cater to conventional markets through sales of traditional products. Their lack of willingness to promote new-age products and scout better paying markets is evident. 	<ul style="list-style-type: none"> - Assist IL&FS Clusters team to scout potential buyers in select markets and place the identified 5-7 handicraft products for test marketing. - Scout a few potential buyers for the identified 5-7 handicraft products with active support from IL&FS Clusters team along with terms of trade across

Column 1	Column 2	Column 3	Column 4
Deliverable as in contract document	Status of Deliverable	Reasons in Brief:	Modified Deliverable
		<ul style="list-style-type: none"> Therefore, it may be inferred that no markets or customer segments and categories have been defined for the new-age products. Hence buyer identification cannot be undertaken straightaway. 	the select markets.
Pricing strategy will be shared for the specific products identified and based on market feedback	<ul style="list-style-type: none"> No modification 		
Key legislation pertaining to marketing of 5-7 bamboo handicraft products	<ul style="list-style-type: none"> No modification 		
Identify the potential strategic partners for the Producer company	<ul style="list-style-type: none"> Proposed for modification Modified deliverable in Column 4 of the table 	TBM has plans to float a Pvt. Ltd. Co., dynamics of which is completely different from a Producer Co. Further, the structural and functional aspects of the Pvt. Ltd. Co. are not settled. MART through this study finds it extremely difficult to do justice to the new scope. However, keeping the essence of the deliverable in mind, prospective agencies / entities for marketing support would be identified to partner with TBM, which is a stable organization with defined structure and functions	Identify prospective agencies / entities for marketing support to partner with TBM either through business or convergence mode.
Futuristic business plan along with marketing and implementation plan	<ul style="list-style-type: none"> Proposed for modification Modified deliverable in Column 4 of the table 	Business Plan would be for an entity and the deliverable was agreed for a Producer Company. Since Pvt. Ltd. Co. is the entity which TBM wishes to float, it again becomes difficult for MART to do justice to the new scope.	Develop business outlook of the selected products along with suggestions for marketing the same.

3.2.Future Course of Action (as agreed in the Inception Report)

The insights are presented against the deliverables to come up with the future course of action. The same is presented in Table 2.

Table 2

Deliverables	Observations / Insights	Future Course of Action	
		TBM	MART
Assist TBM team in selection of 5-7 bamboo handicraft products belonging to high value high	- Keeping in view of the new age products (new design high value and high margin) promoted and, shortlisted in consultation with IL&FS team, there is no clear-	Information to be shared on cluster profile including location, raw	Analyse the information and share their views on product selection

Deliverables	Observations / Insights	Future Course of Action	
		TBM	MART
margin category	<p>cut understanding developed with regards to the specific products and their mainstream market links except good demand in fairs and exhibitions as shared by IL&FS team.</p> <ul style="list-style-type: none"> - Traditional bamboo items still continue to be 80% of the total share of products sold by entrepreneurs, private outlets. It is also to be known about the bamboo handicrafts ecosystem, share of products promoted to the total market in order to explore further. - Products like basket are primarily used for once. Therefore, distinction between traditional and new age products is not clear unless and until difference in usage and utility is established so that new designed basket fetch more price. Clarity on promotion mechanisms for such products need be developed to help in identifying demand. - Production capacities of clusters to generate economy of scale of products are not clearly understood for high value and high margin products. More so in the context that there are 20% skilled person available to work on such products where in the rest go for production of traditional products as witnessed in the visit to the production cluster. - It is also observed that the traditional bamboo products though generate lesser margins, still preferred by the artisans because it has relatively continuous demand in local and outside market, generate continuous income and does not require higher skills. - Market locations where such products have been in demand and sold out are yet to be clarified. The study would heavily rest on that information 	material availability, product types, production volumes, cost and price of products and annual turnover for FY 2014-15	

Deliverables	Observations / Insights	Future Course of Action	
		TBM	MART
	to focus on markets and develop further insights.		
Identify potential buyers of the identified products with active support from IL&FS cluster team	<ul style="list-style-type: none"> - Since most of the products sold to buyers with the facilitation of TBM are one time buyers, sustenance would be the casualty. - Most of the Production Cluster managers are catering to conventional markets wherein fetching TBM's expected price and margin on a regular basis is difficult. This was underlined by an evident lack of willingness among these managers to promote these products, lack of understanding of other markets beyond what they cater to. 	<ul style="list-style-type: none"> - Develop an electronic catalogue of the selected 20 products with brief description of the product including its uses and uniqueness. - Share the same with prospective buyers (drawn from the existing clientele and other buyers scouted in due course of time) and seek feedback - Post 7-10 days of sharing the catalogue, physically place the sample of the products with these buyers and garner their feedback. 	After the samples are physically placed with the identified buyers and feedback is received, 5-7 most potential products as indicated by the market players would be studied with the objective of understanding constraints faced by the market players, areas of development and accordingly share the information with TBM for appropriate action.
<ul style="list-style-type: none"> - List of 5-7 such bamboo products with specifications, volume and sub sector analysis include a generic assessment of competition based on the market findings. Collect generic consumer preferences from the concerned market players. 	<ul style="list-style-type: none"> - Identifying and developing a total understanding of the identified product category with all details is the fulcrum of the study to take it further. - As per the main task of the study is to develop strategy and implementation plan it is always expected that there is already a market platform for such products available to push it further through a strategic plan. - So, all these critical information are expected from IL&FS to further to study and analyse the 	<ul style="list-style-type: none"> - Provide information on product profile of major products including dimensions, manufacturing cost, current production volumes, total production capacity, seasonality, 	MART will conduct study in specific market locations in India to assess market for the product, competition, trader etc.

Deliverables	Observations / Insights	Future Course of Action	
		TBM	MART
	market positioning of the product, competitors, consumer preferences etc.	unique selling proposition and utility aspects of the selected 20 products.	
- Identification of major issues and challenges in the supply chain of 5-7 products and recommendation to address the same. Understand the capabilities of the supply side to produce and maintain B2B relations	- The overall constraints and issues for products in the production cluster are identified by the team. However, it is to be analysed further once the 5-7 products are finalized.	-	-
- Identification of key buyers/traders with contact details for the identified 5-7 handicraft products along with terms of trade across the studied markets	- This task will be undertaken by the team depending upon sharing of information on markets in which different category of products have been sold out by IL&FS.	Current buyers' profile including market segment (like institution, retailer, wholesaler, end consumer etc.), name, address, phone numbers, total purchase volume (FY 2014-15), lot size (FY 2014-15), no. of orders (FY 2014-15), feedback and product improvements proposed.	MART would concentrate on those markets where there is initial response for the products. Study will further be undertaken to identify new markets in the second level.
- Pricing strategy will be shared for the specific products identified and based on market feedback	- This is dependent on the identification of products, market visits.	-	A proper pricing strategy will be proposed after analysis of demand side information and matching it with supply side information collected from the production clusters.
- Key legislation pertaining to	- Key legislation pertaining to the marketing of bamboo products	-	MART will conduct study to

Deliverables	Observations / Insights	Future Course of Action	
		TBM	MART
marketing of 5-7 bamboo handicraft products	<p>have been understood from the state government perspective. Study team would further ratify and validate the same and document.</p> <ul style="list-style-type: none"> - The key legislation of marketing and trading of bamboo products at the national level would also be captured as part of the study. 		document key legislations and policies at national level for bamboo handicraft products
<ul style="list-style-type: none"> - Futuristic business plan along with marketing and implementation plan 	<ul style="list-style-type: none"> - This is to be clarified whether business plan will be used by the PLC in a situation where it does not exist. In such a case it would be of paramount importance to clarify the process, structure, function and details of management functions of the PLC to come out with a realistic business plan with marketing strategy and implementation plan. 	Clarity on the observations is required from IL&FS	-
<ul style="list-style-type: none"> - Identify the potential strategic partners for the Producer company 	<ul style="list-style-type: none"> - As captured from the interactions, the envisaged objectives of entities coming up to forge partnership, hold share in it and sharing profits with PLC seems realistically difficult. However, the terms of trade of interested market players/entities in this regard could provide details of prospective avenues for IL&FS to pursue once the PLC takes shape and functions. 	-	Based on the observation, MART would identify market players, agencies with their terms of trade to facilitate IL&FS to negotiate further with them after the study and once the PLC is formed.

4. Findings and Analysis

MART team visited Tripura to gather the perspectives of IL&FS Clusters assess the supply-side dynamics and understand local markets for bamboo handicrafts. MART team visited TBM project office, production clusters, local enterprises and support institutions engaged in development of bamboo handicrafts. Interactions were held with TBM project staff, artisans, cluster supervisors, entrepreneurs, retailers and senior officials of support institutions during this visit. Moreover, information related to resource augmentation, product development, production processes, trade facilitation and overall economic perspectives related to bamboo sector were gathered through interactions. Apart from the visit to Tripura, discussions with market players based out Tripura, Kolkata, Delhi, Bhopal and Hyderabad, Tax Consultant and substantive secondary literature was examined to put up the final report. This final report presents the activities undertaken during the visit along with the key findings and insights gathered. Moreover, feedback from TBM on the draft report has been duly incorporated in this final report. The major decision on the scope and future plans for conducting the study is also presented in this report. Detailed findings are placed in the following section

4.1. Legal aspects of handicrafts trade

Handicraft items are defined quite fluidly but certain broad considerations are laid out well under Indian laws and international agreements. A few examples are as follows.

Example 1

"Artisanal products are those products produced by artisans either completely by hand, or with the help of hand tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. These are produced without restriction in terms of quantity and using raw materials from sustainable resources. The special nature of artisanal products derived from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant."

- UNESCO/ITC International symposium on 'crafts and the international market', 1997

Example 2

"As per the Hon'ble Supreme Court in the case CCE, New Delhi vs. Louis Shoppe & Anr. 1996 (83) ELT 13 (SC)

(a) It must be predominantly made by hand. It does not matter if some machinery is also used in the process

(b) It must be graced with visual appeal in the nature of ornamentation or in-lay work or some similar work lending it an element of artistic improvement. Such ornamentation must be of a substantial nature and not a mere pretence."

"Essentially, whether a particular item would merit to be classified as 'handicraft' is a question of fact. No specific test can be laid down nor is it possible for the Board to lay down criteria for individual cases. However, the above stated guidelines should be kept in view while deciding cases. Determination of factors such as intricacies of designs, extent and originality of ornamentation, the quantum of individual artistic skill as well as the extent of value addition on account 'ornamentation by hand' could help at arriving at the correct conclusions."

- Circular No. 789/22/2004-CX dated May 31, 2004 issued by The Under Secretary to the Govt. of India, Ministry of Finance, Department of Revenue, Central Board of Excise & Customs

Example 3

"As per the latest MoU signed between India & USA the following additional features are to be considered: Indian Items may not include closure devices such as zippers, elastic (any form), elasticized fabric (any form), hook-and-pile fasteners (such as "Velcro" or other similar holding fabric). In addition, buttons (including snap buttons) may not be used as a means of securing at the waist in such Indian Items as salwar, ghagra/lahenga and pavadai.

When considering the design and/or ornamentation, it should be a uniquely "traditional and historical Indian" design. The following are some examples of motifs and/or ornamentation which will not be considered of traditional and historic Indian design: airplanes, buses, cowboys, cartoon characters, logos of products/programs, holiday/festival, designs such as Halloween, Thanksgiving, etc."

-http://artncraft.indiabizclub.com/info/legal_issues_and_governmental_policies

Therefore, it is evident that discretionary powers to categorise a product as handicraft or otherwise are vested on the excise & customs officers. It may be safely assumed that any product that is hybrid in nature and uses both natural and synthetic items as raw materials and use some modern machineries in the production processes have the odds stacked against it. It is better to err on the side of caution and not tag hybrid products as handicrafts because the chances to proving the same in a court of law is an onerous task involving time and money and would not make business sense for any organisation especially if they belong to the SME segment.

Tax regime and taxation mechanism

- 1) Central sales tax rate for handicraft items is 0%. This tax is chargeable by the seller and payable by the seller. The seller needs to be a registered handicraft dealer to take benefit of the 0% tax otherwise the sale should be charged as per alternate tax rate applicable to similar items listed under non-exempt category. This alternate tax rate shall vary with the category of the product of TBM. Tax chargeable by TBM will also vary based on the nature of the purchaser in case of entities not registered as handicraft dealers. If the purchaser intends to use the product for in-house consumption the tax rate will be different. Similarly, if the purchaser is able to issue a "C" form the tax rate will be much lower viz. 2% in most cases. However, all these considerations undergo further modifications based on the various states and the associated goods movement permits required for passing through them. In most cases, the seller insists that the buyer organize all paper works and send them across before dispatch of goods.
- 2) Ideally, an organization should engage a tax consultant to identify the applicable laws and rules of business and guide the enterprise in dealing with legal compliances like taxation. It becomes more important because taxation rules are not static and undergo frequent changes without reference to any calendar schedule. Therefore, TBM or the proposed private limited company should look for a person to be engaged as a tax consultant for receiving such guidance and safeguarding the business from penalties and risk of closure.

Handicrafts market and bamboo products

- 3) EPCH explicitly mentions bamboo products only under the category titled "Cane, Bamboo & Eco-Friendly Products". During the IHGF Spring Fair 2015 held in February 2015, only the following products had explicit mention of bamboo.

ARTIFICIAL FLOWERS	GIFTS WRAP & PACKAGING	PLANTERS - CANE/BAMBOO
BAGS - HANDMADE PAPER	HANDMADE PAPER & PRODUCTS	PURSES - CANE/BAMBOO
BAGS (JUTE)	HATS & CAPS - CANE/BAMBOO	RECYCLED MATERIAL
BASKETWARE & WICKER WORK ARTICLES	JUTE PRODUCTS	SHELL DECORATION / GIFTS & MATERIAL
BLINDS - CANE/BAMBOO	LAMP SHADES - CANE/BAMBOO	SMOKING ACCESSORIES - CANE/BAMBOO
BOXES - CANE/BAMBOO		TABLE COVERINGS - CANE/BAMBOO
CANDLE HOLDERS - CANE/BAMBOO	LAMPS - CANE/BAMBOO	TABLE MATS- CANE & BAMBOO
CANDLE LAMPS - CANE/BAMBOO		TABLEWARE - CANE/BAMBOO
DRIED FLOWERS	MATS - CANE/BAMBOO	TRAYS - CANE/BAMBOO
DRY FLOWER POTPOURRII	NATURAL FIBRE PRODUCTS/ACCESSORIES	UMBRELLA STANDS - CANE/BAMBOO
FLOWER DECORATIONS	PAPER MACHIE - CANE/BAMBOO	WALKING STICKS - CANE/BAMBOO
GARLANDS - FLOWERS ARRANGEMENTS, BOUQUETS	PHOTO FRAME - CANE/BAMBOO	

Hence, it may safely be said that bamboo products belonging to these categories are most likely to find space in the immediate conscious buying decision of wholesalers or exporters and are likely to have established markets within India. Any new product that lies beyond these product categories will require significant marketing efforts to establish themselves. Such efforts need to be sustained over a few years for desirable results.

4.2. Discussion with TBM

Table 3

Name of Stakeholder / Entity	Points of Discussion
<p>1) Mr. K. K. Panda, Sr. Programme Manager, and 2) Mr. Sukanta Das, In-Charge, Marketing, Project Office, TBM, Agartala</p>	<ul style="list-style-type: none"> • Understanding the Bamboo sector, share of Tripura in bamboo production and handicraft production(fishing rod and baskets as dominant products produced and sold outside) • Overview of bamboo products and production cluster (raw materials, skill training, infrastructure, support services, market linkage support etc.) • Bamboo sectors involve roughly 6 lakhs people, 2 lakhs handicraft artisans, 8000-9000 highly skilled artisans of whom around 200 also act as entrepreneurs <ul style="list-style-type: none"> ○ IL& FS discontinued supporting the Bamboo stick, Dhari making and Bamboo mat board due to considerations of feasibility and viability issues especially around private sector participation ○ Supports to artisans for agarbatti making- 900 machines worth 4-5 crores installed, presence of 4-5 commercial units which are linked with established brands like ITC and CYCLE, marketed in Bangalore through road transportation involves a lot of cost due to distance. Approximately 600 metric ton of agarbatti sticks are produced in a year now. There is a drastic fall in production due to supply-side constraints. ○ More than 200 nonconventional products developed by artisans facilitated by TBM Market players- Institutional and Pvt., entrepreneurs (Around 200 have their own production set up, artisans and marketing channels) ○ Market potential is outside Tripura(West and southern states are the most lucrative markets, while Delhi, Kolkata and Guwahati are suitable for bulk sales of low cost products ○ Aggregators not identified in the location but products sold outside(Kolkata, Guwahati and Kerala fair) ○ End users are not clearly identified for most of the products. ○ Low cost high volume products- 10 lakhs of baskets supplied to Vaishno Devi temple from Tripura
<p>Mr. K K Panda and staff of IL&FS Clusters team, Project Office, TBM, Agartala</p>	<ul style="list-style-type: none"> - Project started in 2007 - Issues and constraints faced: <ul style="list-style-type: none"> ○ Sectors unexplored ○ Production linked to existing skills and capacity ○ Focus was to develop easy to do products with remunerative market. ○ Mat based products declines over a period of 4 years from 1 lakh meters to 50000 meters and Dhari mat making is not focused by TBM now. Study to answer why there is a decline. ○ Carving is not focused in the project ○ Though Agarbatti was a booming business, it was not emphasized for promotion primarily for not able to generate good income for the artisans - Initial focus was on 5 sub sectors but later on based on consideration of getting number and volume of business, new and nonconventional handicrafts items were promoted. Handicraft, industrial applications and resource generation is continued. Primarily focus was on basketry, mat based handicrafts for utilitarian and home décor purposes. - 400-500 new designs developed by IL&FS Clusters for creating a market for such nonconventional bamboo crafts, - In the meeting of the Sr. staff with MART team, a detailed presentation of products promoted under TBM was discussed. The points are: <ul style="list-style-type: none"> ○ 40 producer groups with around 20 members in each group promoted across Tripura

Name of Stakeholder / Entity	Points of Discussion
	<ul style="list-style-type: none"> ○ 12-15 groups dealt with handicrafts are either SHGs or groups having cooperative registration. ○ Handloom and handicraft industry contributes to approximately 20-30 crores in the state and TBM aims to have a share of 1-2 crores in 2 years over its current TO of 50-60 lakhs as per the assessment of II & FS Clusters. ○ IL&FS aims to float a private limited company (PLC) primarily for the purpose of looking after the marketing of bamboo products promoted by TBM. ○ Aims to identify potential agencies not as strategic partners to TBM but are potential agencies to work around bamboo sub sector by advancing, investing in the sub sector. ○ PLC objective will be to generate business and capture markets, generating profits and incremental income for its producer members. ○ Registration, certification, tax regime requirements for trading and business management by the PLC. ○ Futuristic business plan and marketing strategy. ○ A presentation made on each of the products developed by TBM and discussion held on its design, specifications, dimension, usage and utility. ○ Shortlisting of high value high margin products for its supply side information collection from visiting the production clusters. ○ Three product categories listed out- weaving, mat products, turning products and fast moving products shortlisted from each category for further understanding.

Summary of Discussions with TBM Team

- 1) The project is being implemented since March, 2007
- 2) Around 600,000 persons have economic dependence on bamboo
 - a. Around 200,000 persons are engaged in handicrafts including furniture
 - b. Around 8,000 persons engaged in handicrafts are highly skilled artisans
 - c. Around 200 highly skilled artisans are also entrepreneurs
 - d. Around 50 entrepreneurs have large trading businesses
- 3) Agarbatti sticks and bamboo mat were the major products but has drastically reduced over the last few years
- 4) IL& FS Clusters have 4 major areas of intervention viz.
 - a. Resource generation
 - b. Incense sticks
 - c. Handicrafts & furniture
 - d. Industrial application of bamboo
- 5) Major focus of IL&FS Clusters team is on handicrafts
- 6) Total turnover of handicrafts sub-sector is estimated to be Rs. 30 crores.
- 7) 40 producer groups with around 20 members in each group has been promoted
- 8) Around 500 products have been developed by TBM
- 9) Products were developed with inputs from designers and artisans were trained on production
- 10) Focus was to develop easy to do products with remunerative market
- 11) Production process is semi-mechanised
- 12) Potential products as tentatively identified by the IL&FS Clusters team is reflected in Table 5, further modified in Table 6 as suggested by TBM
- 13) Market feedback for the products has been achieved mostly through fairs and exhibitions.
- 14) A private limited company will be formed for marketing of bamboo products

4.3.Stakeholder Consultations

Table 4

Name of Stakeholder / Entity	Points of Discussion
<p>Mr. Pradip Chakraborty, Entrepreneur-cum-Unit Supervisor and other artisans, Bamboo and Sheetal Patti based community Production centre-Baikhora, Santirbazar, South Tripura 09612126829</p>	<p>Understanding the process of sourcing raw materials, process of production, skills, costing and pricing, support services, and markets.</p> <ul style="list-style-type: none"> ○ Apart from bamboo, other raw materials are procured from Kolkata ○ Identified the fast moving products from the cluster- handle with chain bag-CM bag (local nomenclature) as the main product. ○ Production cost of different products in all the production clusters (8 similar operating under the IL & FS support) is explained to be the same. Costs vary as per quantity and quality of raw materials used. ○ Pricing is unclear with a flat 20% margin on cost of production for meeting costs on remuneration to artisans, establishment and operational cost and recurring expenses. Everybody is salaried and paid as per the days of engagement by TBM. ○ Bamboo products produced with major percentage (70-80%) of raisin used. ○ Marketing channels are mostly within Tripura(File folders sold to FICCI, CII, Tripura University) ○ Lost an overseas tender of 55000 bags for Qatar even through only 5% margin was maintained
<p>Bijoy Sutradhar, Entrepreneur-cum-Unit Supervisor and other artisans, Bamboo based community production centre, Rajdharnagar, Udaipur, South Tripura 09856348176</p>	<ul style="list-style-type: none"> - Cup, jug, mug and flower vase as fast moving bamboo carving products. - Cost of production of each item, raw material used, specification, skills and technology used process of product manufacturing, finishing, costing and pricing and market used. - Economies of scale of the products, annual turnover(Rs. 50000/-) - Intricacies of raw material wastages and constraints (non-availability of quality bamboo for specific products) in bamboo carving identified.
<p>Mr. Manoj Kumar Debnath, Entrepreneur-cum-unit supervisor, Basketry Cluster 9615638630 9436168897</p>	<ul style="list-style-type: none"> - 8 inch square basket with handle, basket, lamp shade, Hand fan (full circumference), Japanese fan, Round shaped beni basket are the fast moving product in basketry - Understanding design, colouring, sizes and shapes with cost of production, man-hours for each product produced with size and dimension, pricing of the product understood. - Different types of bamboo as raw materials for preparation, constraints of getting raw materials (Parua bamboo) and assembly line production of baskets and economies of scale. - The average margin in wholesale marketing and selling in Melas and Exhibitions - Markets for products-, Pune, Hyderabad, Bangalore, Trivandrum, Cochin, Ernakulum and southern states are good markets for quality bamboo products. - Chandigarh, Srinagar, Guwahati and Delhi are mass markets prefer products with average quality.
<p>Tripura Bamboo and Cane</p>	<ul style="list-style-type: none"> - Understanding of the bamboo sub sectors and changing dynamics of bamboo production and bamboo craft industry in the state.

Name of Stakeholder / Entity	Points of Discussion
Development Centre (TRIBAC), Agartala, Dr. Selim Reza, Director, 9436134425	<ul style="list-style-type: none"> - Different species of bamboo as raw material and usage in production of bamboo crafts and agarbatti, issues in availability of raw materials, CFC operation, order continuity - Agarbatti industry market and its contribution to the bamboo sub sector. - Transporters, transport rationalization related to bamboo sub sector - Technology use and its predicament (issues in sourcing, maintenance, productivity, quality and market led features) - State tax policy and policy gaps in the bamboo sector and products. - Finance and lending dynamics with banks (Rural finance by banks is low-32% approximately) - Livelihoods relating to bamboo crafts and fulfilment of aspirations(decreasing trend of artisans in bamboo handicraft sector) - Bamboo resource ratio in the state (80:20 for forest and individual ownership) - Support dynamics for Bamboo and rubber cultivation
Dr. Abhinav Kant In-charge, M-9436581358, Bamboo and Cane Development Institute (BCDI), Agartala	<ul style="list-style-type: none"> - Understanding the ecosystem of bamboo handicrafts in the state and bamboo craft as livelihoods option for people in the state. - Sector requirement are continuous inflow of income, buyback arrangement for products, standardization leading to product quality are missing in the state. - BIS benchmarks not widely known, use of chemicals and quality concerns for export of bamboo handicrafts. - Technologies to produce accurate and standardized quality products are not available. (machines are not precise to the requirement to provide correct precision in making handicraft products) - Percentage of export of handicrafts is not assessed. New range of products with new designs with no use of hazardous health implication is being developed - Transportation is an issue that adds on extra cost at least by 15%. Rs. 18000 cost is on transport for a truck carrying 1.25-1.5 lakhs worth handicraft products approximately while it is slightly lower in case of basketry. - Product development is scientific and systematically carried out by the institute keeping in view of the market need and demand.
Stakeholders Consultation meeting, Meeting Room, TBM Project Office, Agartala	<ul style="list-style-type: none"> - To ratify and finalise the list of 10-12 products enlisted in discussion with IL&FS and visiting the production clusters. - Product category and fast moving products - High value and high margin products and market players - Intricacies involved in investment, raw materials, production capability - sourcing capital, managing production, cost of production, storage facility, margin and business operation, transportation, transit taxes, income to the artisans and economies of scale generated and scale up for bamboo products - Turnover of identified products vis-à-vis the total turnover of bamboo handicraft products and income. - Market share of traditional and new generation bamboo products(80:20) - Income generated over new generation(high value and high margin) products- 20%
Rama Reang In-Charge, BCSRC, TBM, Bamboo Craft Skill Resource Centre,	<ul style="list-style-type: none"> - Role and function of BCSRC in skill up gradation, quality benchmarking, facilitation in marketing of bamboo products through retail and wholesale mechanisms. - Functioning of the centre and management, coordination with production clusters and production management support

Name of Stakeholder / Entity	Points of Discussion
Agartala	<ul style="list-style-type: none"> - Licensing and other legislative documents to carry our trading of bamboo products in and outside the state.
Crafts Emporium, Agartala, Mrs. Moyna Bhaumik 09862209689	<ul style="list-style-type: none"> - Information on products dealt with- category and range of products sold- Mat based products are the main product segment having demand in and outside Tripura. - All handicrafts are handmade no machinery used as spares and services are not available. - Have own production centres, with trained s manpower- no products are purchased from artisans. - Best selling products are dining mat, door and window screen, ladies purse, floor mat, file folder. - Retail selling and selling outside Agartala, market players linked, fast moving bamboo handicraft products, price and margin on product, annual turnover, export of bamboo craft products, licensing and trading requirements etc. - Design and colour are changed as per customer and traders feedback
Purbasha, Mr. Sameer Chakraborty, PURBASHA, 09436127731	<ul style="list-style-type: none"> - 3 main counters at Agartala New Delhi & Kolkata - Product demand by location: High end furniture in Delhi, Low end furniture in Kolkata and small handicrafts in Agartala - Business volume: Procurement worth Rs. 75 lakhs in FY 2013-14 reduced to Rs. 60 lakhs in FY 2014-15 on account of lack of storage space - Pricing of product: Manufacturing cost based on material and labour estimates. Pricing arrived based on consultation with the artisan and guidelines created internally by Purbasha. Labour cost is currently pegged at Rs. 400/- per day. A margin of 50% is added to the procurement price. A discount of 20% is offered on the price thus arrived. Therefore the actual mark-up is 20% on the procurement price. - Suppliers: All artisans are pre-registered with Purbasha. Suppliers provide materials based on orders from Purbasha. They also bring products without orders. Purbasha keeps these based on their discretion. Purbasha faces severe constraints in sourcing made to order products. Such constraints arise due to lack of artisans to take up new design work. Artisans even decline 5 to 7 time higher prices as they feel that a majority of the workers cannot be engaged for such work. - Exports: Purbasha had tried to get into arrangements for exports but nothing substantial came out of it. One instance of direct participation in a trade fair in Hungary led to losses and the products had to be given away to a Hindu religious organisation in Budapest. They have sent samples to numerous countries especially the European nations but they have not translated to orders. Probable reason for this is the inability to match specification standards that are difficult to achieve in handicrafts. EPCH is a possible location from whom database of exporters can be sourced. - Premium markets: Purbasha does not have any idea about premium segment markets especially the channels that cater to high end customers. They have no idea about the requirements and demand for the new generation products like those developed by TBM. However, they have some idea about bamboo and cane furniture that is considered to be premium products by them. Being a government organisation, Purbasha often keeps its best products and furniture for supply to VIP guests. Therefore, they lose out on the opportunity to learn about markets for these premium products.

Summary of Discussions with supervisors and artisans of 3 clusters

- 1) All production clusters are registered as not-for-profit Societies
- 2) Production clusters follow decentralised production system with a central workshop for assembly and finishing
- 3) The workshop often runs below capacity due to paucity of orders
- 4) Production process is driven by supply side factors instead of market factors
- 5) Production of traditional products is determined mainly based on raw material and skill availability rather than market demand
- 6) Availability of right quality and adequate quantity of bamboo is a huge challenge
- 7) Cost of other inputs like Rexene (foam) sheets, adhesives, etc. are very high as they need to be brought from Kolkata
- 8) Traditional artisans are reluctant to adapt themselves towards producing new design products
- 9) Quality maintenance especially those related to size and structure is a challenge as production processes are mostly manual
- 10) Artisans or traders do not have knowledge of established markets for the new design products
- 11) Cost of production for new generation products are very high due to low output of artisans and high cost of inputs other than bamboo

4.4. Products selected in discussion with TBM and its stakeholders in Tripura

Table 5

S. N.	Name of the Product	Information Collected from discussion with TBM, Production Clusters and Stakeholder Discussion						
		Specific Dimension	Price at Production Cluster (Rs.)	Productivity	COP- (Labour + Material + Admin) Rs.	Profit before tax (Rs.)	Gross profit as a % of Price	ROI
Utility Basket								
1	<i>Round basket without handle</i>	9x3 inch	30	20 pieces per person per day	17	13	43	176
2	<i>Round basket with handle</i>	9x3 inch	35	15 pieces per day per person	23	12	34	52
3	<i>Square basket with handle</i>	8 inch square	60	8 pieces per day per person	45	15	25	33
Ladies Items								
1	<i>Bag (sheetal patti - 10% value)</i>	13x18x5 inch	700	2 pieces per person per day	140	560	80	400
2	<i>Gift Box (Cube) - 4-in-1</i>	6x6x6 inch	430	1 set per person per day	86	344	80	400
3	<i>Gift Box (hexagon) - 3-</i>	3 inch sides x 4	200	3 sets per person per	40	160	80	400

S. N.	Name of the Product	Information Collected from discussion with TBM, Production Clusters and Stakeholder Discussion						
		Specific Dimension	Price at Production Cluster (Rs.)	Productivity	COP- (Labour + Material + Admin) Rs.	Profit before tax (Rs.)	Gross profit as a % of Price	ROI
	<i>in-1</i>	inch height		day				
4	<i>Jewelry Box (Boat shaped)</i>	6 inch long x 4 inch height	80	4 pieces per person per day	16	64	80	400
Office Accessories								
1	<i>Briefcase</i>	11 x 15 x 6 inch	430	1 piece per person per day	86	344	80	400
2	<i>File holder</i>	14 inch x 11 inch	200	3 pieces per person per day	40	160	80	400
3	<i>Pen stand</i>	4 inch	30	10 pieces per person per day	18	12	40	67
Decorative Items								
1	<i>Flower Vase</i>	6 inch height	34	9 pieces per day per person	18	16	47	89
2	<i>Flower Vase</i>	12 inch height	65	5 pieces per day per person	30	35	54	117
3	<i>Pencil / Specs holder</i>	8 inch long x 2.5 inch wide	50	3 pieces per person per day	10	40	80	400
4	<i>Pouch</i>	6x6x3 inch	95	4 pieces per person per day	19	76	80	400
5	<i>Cup</i>	2 inch diameter x 3 inch height	20	20 pieces per day per person	15	5	25	33
6	<i>Mug</i>	2.5 inches diameter x 4 inch height	28	10 pieces per person per day	18	10	36	56
7	<i>Jug</i>	1 feet height x 5 inch diameter	45	10 pieces per person per day	30	15	33	50
Home Accessories								
1	<i>Floor Mat (picnic / yoga)</i>	1.8m long x 42" broad	450	2 pieces per day per person	360	90	20	25

S. N.	Name of the Product	Information Collected from discussion with TBM, Production Clusters and Stakeholder Discussion						
		Specific Dimension	Price at Production Cluster (Rs.)	Productivity	COP- (Labour + Material + Admin) Rs.	Profit before tax (Rs.)	Gross profit as a % of Price	ROI
2	<i>Hand Fan</i>	handle length 12" x fan blade diameter 13"	15	15 pieces per day per person	8	7	47	88
3	<i>Lamp Shade</i>	18 inch height and 12 inch bottom diameter	120	2 pieces per person per day	100	20	17	20

While we could not get the information from TBM as to whether these products predominantly enjoy order based sale or supply based sale and whether they are Single Order / Repeat Order, it is important for TBM to analyze the pattern and take corrective actions in tandem with the suggested recommendations.

4.5. Product Catalogue shared by TBM

During the initial course of the study it was realised that TBM needs to design a product catalogue to be able to reach a wider market and attract various buyers across the B2B, B2G and B2C categories of market players. Following product catalogue was shared by TBM wherein products which they felt could be marketable were also included. Table 6 captures the major information indicated in the catalogue. TBM shared this product catalogue with various players indicated by MART to garner their feedback on the products. While none of them formally shared their feedback, feedback collected by MART has been captured in later sections.

Table 6

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
1	TBMB001		Dia 9" X H -3"	Rs. 44 per piece for a MOQ of 100 pieces	This round shaped basket is made of Bamboo Slivers, coloured on basic dye; beautifully hand weaved by the women artisans of Nalchar and Durlavnarayan, Tripura. Two cane handle fixed to make it user friendly. It is purely eco friendly and biodegradable product. You can use it as a fruit basket either on dining table or drawing rooms' centre table. Bamboo

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
					is an excellent material for storing onion and potato and this basket can be used in your kitchen for such storage purpose. It can also be used as bread/Chapati basket in the hotels/restaurants.
2	TBMB005		L- 12" X W- 8"	Rs. 57 per piece for a MOQ of 100 pieces	This rectangular basket with handle is made of purely eco friendly, bio-degradable bamboo Slivers, beautifully hand weaved by the women artisans of Tripura. The major craft production villages are Nalchar, Bagabasa, Charilam and Durlavnarayan. This strong double handle can carry a weight upto 3 kg and gives a balance and stability. You can use it as a fruit basket on dining table, drawing room table. Bamboo is an excellent material for storing onion and potato and this basket can be used in your kitchen for such storage purpose. You can also use it to carry flower to any ritual practices.
3	TBMB007		Dia 9" X H -3"	Rs. 25 per piece for a MOQ of 100 pieces	This round shaped basket is made of Bamboo Slivers, colored on basic dye; beautifully hand weaved by the women artisans of Salema and Santirbazar, Dhalai Tripura. It is purely eco friendly and biodegradable product. You can use it as a fruit basket on dining table, drawing room table. Bamboo is an excellent material for storing onion and potato and this basket can be used in your kitchen for such storage purpose. It can also be used as bread/chapati basket in the hotels/restaurants.

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
4	BO12		L-10" X H - 3"	Rs. 47 per piece for a MOQ of 100 pieces	This square basket with handle is made of purely eco friendly, bio-degradable bamboo Slivers, beautifully hand weaved by the women artisans of Tripura. The major craft production villages are Nalchar, Bagabasa, Charilam and Durlavnarayan. This strong double handle can carry a weight upto 2 kg and gives a balance and stability. You can use it as a fruit basket on dining table or on your drawing room's centre table. Bamboo is an excellent material for storing onion and potato so very good for storing at Kitchen. You can also use it to carry flower to any ritual practices.
5	MD045		L - 12" X H - 13"	Rs. 110 per piece for a MOQ of 100 pieces	This Jhola bag best suit for any corporate conference, development meetings and seminars organize by Industry associations, International NGO's and development organizations. This bag is made of bamboo mats weaved by hand looms and fortified by biodegradable net cloth. Village Kaladhepa, near Manubazar, around 150 km from Agartala towards the southern border of Tripura takes the credit of producing this utility bag. The artisans belong to Tripuri community, the indigenous tribes of Tripura.
6	MD018		L - 15" X W 12"	Rs. 430 per piece for a MOQ of 50 pieces	This bamboo briefcase bag is best suited for any corporate conference, development meetings and seminars organized by Industry associations, International NGO's and development

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
					organizations. It can also be used as a laptop bag. To enhance the opening space, the bag is half fold in its opening. This bag is made of bamboo mats weaved by hand looms and covered inside by semi waterproof parachute cloth. Village East Charakbai, near Baikhora, around 100 km from Agartala towards the southern part of Tripura is the pioneer in producing this utility bag.
7	MD019		L - 15" X W 12"	Rs. 430 per piece for a MOQ of 50 pieces	This bamboo briefcase bag best suit for any corporate conference, development meetings and seminars organize by Industry associations, International NGO's and development organization. Also can be used as a laptop bag. This bag is made of bamboo mats weaved by hand looms and covered inside by semi waterproof parachute cloth. Village East Charakbai, near Baikhora, around 100 km from Agartala towards the southern part of Tripura is the pioneer in producing this utility bag.
8	MD020		L - 15" X W 12"	Rs. 430 per piece for a MOQ of 50 pieces	This bamboo briefcase bag best suit for any corporate conference, development meetings and seminars organize by Industry associations, International NGO's and development organizations. Also can be used as a laptop bag. This bag is made of bamboo mats weaved by hand looms and covered inside by semi waterproof parachute cloth. Village East Charakbai, near Baikhora, around 100 km from Agartala towards the

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
					southern part of Tripura is the pioneer in producing this utility bag.
9	BAC02 B		L - 12.5" X W 10"	Rs. 130 per piece for a MOQ of 100 pieces	This bamboo file cover best suits for any corporate conference, development meetings and seminars organized by Industry associations, International NGO's and development organizations, colleges and university conferences. This file cover can also be used as document holder. It is made of hand woven bamboo loom mats. This file cover is closed with chain and has two pouches inside. Village East Charakbai, near Baikhora and Village Gandhigram, near Agartala of Tripura are the pioneers in producing this utility file cover.
10	MD053		L - 12" X H - 09"	Rs. 210 per piece for a MOQ of 50 pieces	This bamboo A4 Bag best suit for any corporate conference, development meetings and seminars organized by Industry associations, International NGO's and development organizations, colleges and university conferences. This A4 bag also can be used for arranging important document in a one place. This file cover is made of bamboo mats weaved by hand looms and covered inside by biodegradable net cloths. Village East Charakbai, near Baikhora and Village Dudhpatil, near Jirania of Tripura are pioneers in producing this A4 bamboo bag.

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
11	BACO3 A		H - 31 CM X W 10 CM	Rs. 140 per piece for a MOQ of 50 pieces	This bamboo file holder is a table ware at corporate office; executive's chamber etc. where use of files is very frequent which needs organized storing. It is made of bamboo mats weaved by hand looms and covered inside by biodegradable net cloths.
12	MD032		L-12" X H-7"	Rs. 200 per piece for a MOQ of 50 pieces	This bamboo catch bag is one of the best options for ladies hand bag. This catch bag is made of bamboo mats weaved by hand looms and the inside is covered by biodegradable net cloths. In this catch bag there are two separate pockets and one common area for putting your smart phone, cash, credit and debit cards, makeup products etc. Village East Charakbai, near Baikhora, around 100 km from Agartala towards the southern part of Tripura is a pioneer in producing this bamboo catch bag.
13	MD03		L-10" X H 4"	Rs. 230 per piece for a MOQ of 50 pieces	This ladies bamboo hand bag, with two inside pouches with chains to keep smart phone, cash, plastic cards, cosmetics etc., is made of bamboo handloom woven mats and covered inside by biodegradable net cloths
14	MD042		H - 13.5" X L- 10.5" X W7"	Rs. 230 per piece for a MOQ of 50 pieces	This rectangular shaped foldable bamboo shopping bag is made from hand woven bamboo mats fusion with synthetic materials covered inside by parachute cloth to make it semi waterproof. It is very spacious inside and having covering chain with strong handles to carry upto 5 kg weight.

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
15	MD043		L-8" X H-5"	Rs. 80 per piece for a MOQ of 10 pieces	This trapezium shaped bamboo hand purse, very comfortable and trendy for ladies, is made from hand woven split bamboo loom mats, with one inside pocket to hold smart phone, cash, credit and debit cards etc.
16	BSB29		(41x31 CM) X(29X 10CM)	Rs. 370 per piece for a MOQ of 50 pieces	This utility side bag is made up of the bark extracted from Mutrak plant and hand woven as a mat (commonly known as sheetal patti). This bags there are separate pockets to keep smart phone, cash, credit and debit cards. You can also carry few garments for a short journey. This is very useful and comfortable for mothers while travelling with small babies.
17	BSB02		H - 19 CM X L - 10 CM X W- 16 CM	Rs. 250 per piece for a MOQ of 50 pieces	This two way design bag is made up of Sheetal Patti (material extracted from Mutrak plant when hand woven as a mat is popularly known as sheetal patti). In this bag there are separate pocket to keep smart phone, cash, credit and debit cards.
18	BSB04		L - 22 CM X D - 10 CM X H - 30 CM	Rs. 300 per piece for a MOQ of 50 pieces	This utility Tapper bag is made up of sheetal Patti, the material extracted from Mutrak plant and hand woven as a mat. In this bag there are separate pockets to keep smart phone, cash, credit and debit cards. Also you can carry a few garments for short term journey. This is very useful and trendy design for college and university girls.
19	MD051		L-10" X H-05"	Rs. 180 per piece for a MOQ of 50 pieces	The utility hand bag is made by hand weaving bamboo loom mat fusion with synthetic material and biodegradable net cloths. In this hand bag there are

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
					separate pockets and one common area for safekeeping your smart phone, cash, credit and debit cards, makeup commodities etc. You can carry this bag to parties.
20	BSB33		L- 29CM X H- 20CM	Rs. 80 per piece for a MOQ of 100 pieces	This rectangular shaped bamboo hand purse, very comfortable and trendy for ladies, is made from hand woven split bamboo loom mats, with one inside small pocket to hold smart phone, cash, credit and debit cards etc.
21	BSB38		L - 8"	Rs. 50 for 100 pieces	This bamboo spectacle purse is useful to carry and protect your glass from any kind of hazard. This purse is made of bamboo hand weaving loom mats fusion with fabrics. It is also very useful for safekeeping pencils & pens etc.
22	BB01/02/03/04		15X 15 CM,12 X 12 CM 10 X 10 CM, 08X08 CM	Rs. 427 per piece for a MOQ of 50 pieces	These gift boxes are made of bamboo mats weaved by hand looms fused with by biodegradable net cloths and lined by zari. You can secure your important ornaments in these boxes. Your gifts to your dearest ones now can be wrapped in these boxes. Village East Charakbai, near Baikhora, around 100 km from Agartala towards the southern part of Tripura takes the credit of producing this bamboo Gift box.
23	BPO01/02/03/04		15X 15 CM,12 X 12 CM 10 X 10 CM, 08X08 CM	Rs. 328 per piece for a MOQ of 50 pieces	This gift pouches are a complete solution of your gifting purpose. These are made of bamboo mats weaved by hand looms and covered inside by biodegradable net cloths. On outside a cloth pouch is placed for good packaging. You can gift

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
					anything to your dearest one wrapped in this pouch. Village East Charakbai, near Baikhora, around 100 km from Agartala towards the southern part of Tripura takes the credit of producing this bamboo Gift pouch.
24	TBMNP 006		L - 6.5 X W - 5.5" X H - 2.5"	Rs. 70 per piece for a MOQ of 100 pieces	This gift boxes offer a complete gifting solution. This gift box is made of sheetal Patti. The inside of the box in covered by biodegradable net cloths while a zari lining add to its beauty. You can also secure your important ornaments in these boxes. You can gift anything to your dearest ones wrapped in this box. Village East Charakbai, near Baikhora, around 100 km from Agartala towards the southern part of Tripura takes the credit of producing this bamboo Gift box.
25	TBMNP 004		runner - 39.5", 6 Dish mat - 19.5", 6 Tea coaster - 5"	Rs. 700 per piece for a MOQ of 50 pieces	These Utility Table mat set are a complete solution for your gifting purpose. This gift box is made of bamboo mats weaved by hand looms and covered inside by biodegradable cloths, lining by zari. This gift box contains 6 nos. dish mat, 6 nos. tea coasters, 1 no. runner . These mats can be used on your dining table for your home, at restaurants and hotels. Village Narsingharh, Near Agartala, takes the credit of producing this bamboo Utility Table Mat Gift box.
26	TO01		H - 10"	Rs. 50 per piece for a MOQ of 100 pieces	This bamboo flower vase is made by bamboo pole using turning techniques in lathe machine. This vase can be used for beautification of your

S. N.	Product Code	Image of the product	Product Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Utility
					home, garden, restaurant, motel etc. Village Mungiakami, Near Teliamura, takes the credit of producing this bamboo flower vase.
27	T004		H - 4"	Rs. 23 per piece for a MOQ of 100 pieces	This bamboo pen stand is made by bamboo pole using turning techniques in lathe machine. This pen stand can be used for arranging pens, pencils and other things at one place. It can be used on your personal study table, and also on your corporate office table. This can also be used in Schools, and colleges etc. Village Mungiakami, Near Teliamura, takes the credit of producing this bamboo Pen stands.
28	TBMNP 008		H - 17" X Dia - 7"	Rs. 600 per piece for a MOQ of 50 pieces	The Lamp made of bamboo slivers is purely eco-friendly and natural degradable. The color used in this lamp is basic dye. Hand woven by women artisan of Nalchar Cluster, Sepahijala District, Tripura, this lamp can enhance the beauty of your drawing room, living room, garden etc. It can be placed on a table, hung on the roof or on a lamp post. It can be gifted on the color of festival Diwali or during the X'mas day for wishing happiness to your dearest ones.

5. TBM products selected for Market Study

A set of 4 agreed criteria (drawn from preliminary market study) has been used to shortlist 6 products of TBM. The criteria of selection are, (i) Awareness among customers and sellers, (ii) Functional similarity to existing products in the market including similarity in price points, (iii) Production and Supply potential in bulk all through the year, and (iv) Low chance of damage due to transportation.

Based on above mentioned criteria, following 6 products were shortlisted for which further market study was done. The products are indicated in Table 7:

Table 7

Sl No	Product Code	Image	Product Profile including Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Price Points Remarks	Specification of closest (competing) product
1	MD045 Jhola bag		L - 12" X H - 13"	Rs. 110 per piece for a MOQ of 100 pieces	Closest product sold at Rs. 100/piece in retail (includes 30% retail margin)	Similar in size to TBM item Made of bamboo, Rexene (foam), jute, designed cloth
2	MD019 Briefcase		L - 15" X W 12"	Rs. 430 per piece for a MOQ of 50 pieces	Closest product sold at Rs. 200-250 / piece in retail (includes 30% retail margin)	Similar in size to TBM item Made of bamboo mat, Rexene (foam), jute, designed cloth
3	BAC02B File cover		L - 12.5" X W 10"	Rs. 130 per piece for a MOQ of 100 pieces	Closest product sold at Rs. 130-150/ piece in retail (includes 30% retail margin)	Similar in size to TBM item Made of bamboo mat, plastic, Rexene (foam), jute, designed cloth
4	BACO3A File Holder		H - 31 CM X W 10 CM	Rs. 140 per piece for a MOQ of 50 pieces	Closest product sold at Rs. 100-120 / piece in retail (includes 30% retail margin)	Similar in size to TBM item Made of plastic, jute, designed cloth
5	TBMNP004 Table Mats		runner - 39.5", 6 Dish mat - 19.5", 6 Tea coaster - 5"	Rs. 700 per piece for a MOQ of 50 pieces	No such product was observed in these markets since the no. of runners, dish mats and tea coasters varied.	Made of bamboo, plastic or nylon
6	T004 Pen Stand		H - 4"	Rs. 23 per piece for a MOQ of 100 pieces	Closest product sold at Rs. 20-25 per piece in	Similar in size to TBM item Made of

Sl No	Product Code	Image	Product Profile including Dimension	Selling Price in bulk (FOB Agartala) for Minimum Order Quantity (MOQ)	Price Points Remarks	Specification of closest (competing) product
					retail (includes 30% retail margin)	bamboo, plastic, jute

5.1. Major findings on the selection parameters

1. Awareness among customers and sellers

- a. The basis of mapping is rapid market scan with specific focus on wholesalers and retailers dealing with bamboo based items in the major markets viz. Bhubaneswar, Bhopal, Pune, Hyderabad, Bangalore and Kolkata.
- b. Poor response received on the emailed catalogue by TBM does not give significant understanding on the awareness part. However, neither the new age products are practically known among sellers and nor are they interested in the same. They are more interested to take products as per their own designs and specification and look at TBM only as contract manufacturer with practically no requirement or role on design front. However, on the online platforms including e-commerce sites TBM has the independence to sell its own designed products
- c. Market segmentation of buyers has not come out as a relevant aspect since the limited numbers of traders that operate in bamboo based product cater to all segments of customers. Further, there are very few exclusive outlets (like Purbasha) that majorly deal in Bamboo items only.

2. Functional similarity to existing products in the market including similarity in price points

- a. Products selected under this study are currently found in the market either as bamboo based items or jute or totally of synthetic make. While the example of table mat set or pen stand or folders may be taken where all these items are available in variety of forms like plastic, cloth, jute leather etc., their functional aspects are similar. On the other hand, products like coloured bamboo baskets, lamp shade, various boxes, ladies hand bags, mat based purses are not viewed as mainstream saleable items. Such nouveau items are considered unsuitable for functional purposes by buyers in mainstream market and find buyers only in market places like exhibitions or fairs. Therefore, the new age products of TBM have low uptake and are priced at a level much higher than the competition. Thus, the primary assumption of having a mainstream (regular) market for high value and high margin products does not stand up to our scrutiny, as the market scan clearly indicates. During the course of our market scan, we have not found any ready buyer for the items designed by TBM. Regardless of these findings, TBM either may at its own initiative talk to specific boutiques to find out if they are interested to trade in items designed by TBM or test its products on online platforms (comprehensive list of e-commerce platforms have been provided separately in the Annexure 1).

3. Production and Supply potential in bulk all through the year

- a. TBM operates in a region where bamboo stick and its resultant bamboo mat making is a common skill. Therefore, basic value added raw material is expected to be available a plenty in the production clusters.

4. Low chance of damage due to transportation

- a. All 6 items viz. Jhola bag, Briefcase, File cover, File holder, Table Mats, Pen Stand selected under this study are flat items that are either foldable or tightly packable. Pen stand is a hardy item with minimal chance of breakage. This helps reduce the transport volume and resultant costs and reduces chances of damage existing in case of other items.

5.2. Market findings on selected bamboo products of TBM

Interactions with various players' viz. traders, retailers and promotion agencies to know the market about the selected 6 bamboo handicraft products promoted by IL& FS under TBM. Following sections captures the findings and recommendations to strengthen the initiative.

- 1. Geographical Hallmark:** Tripura handicrafts are known for its quality of raw materials, designs and product range. In the regular market, products like pen stand, purse and other mat based products are in demand and are available at the retail outlets.
- 2. Market Types:** The market of exclusive bamboo handicrafts is mostly limited to urban areas (largely Tier 1 cities) of many states e.g. Delhi in Delhi, Bhubaneswar and Cuttack in Odisha; Hyderabad in Telangana; Vishakhapatnam and Vijayawada in Andhra Pradesh, Chennai in Tamil Nadu, Kolkata in West Bengal, Mumbai and Pune in Maharashtra, Bhopal in Madhya Pradesh and Bangalore in Karnataka etc.
- 3. Marketing Platforms and Supply Channels:** While the main marketing platforms for handicraft goods are the state level exhibitions organized by the Directorate of Handlooms and handicrafts, Societies, NGOs, and Artisans, the mainstream supply chains are typically wholesaler, retailer centric. The wholesaler and retailers based out of major cities are dependent on certain hubs (e.g. Odisha ones depend mainly on the Kolkata market and Assam for a host of other centres) for raw materials and finished bamboo craft products. Big traders receive regular consignments of bamboo handicrafts from North East including Tripura and cater to the retailers. They have ties with traders based out at Kolkata, Guwahati, Agartala besides Hyderabad, Delhi, Punjab etc.
- 4. Scale of Business and Investment Capacity:** The sale is mainly dependant on foreign visitors and tourists resulting in low scale of business. Traders and retailers operating on such a low scale with limited marketing avenues are not willing to invest particularly when cost of transportation from Tripura would most definitely act as a deterrent in price competitiveness.
- 5. Supply Demand Mismatch:** While there is a potential demand for north eastern bamboo handicrafts in various markets that are mostly sold out from collection by retailers and traders, there is no regular flow of handicrafts products as understood from them.
- 6. Share of Tripura Handicrafts:** The market share of Tripura handicrafts (many a times, Tripura handicrafts marketed by players located in various states assumes the name of the supplying location and not of the production location) is negligible in the states though the retailers express that the demand is apparently very good in craft melas organized at the state level throughout the year.
- 7. Reasons for unavailability of products: Traders and retailers view**
 - Most of the traders and retailers are supported with grants under department of DC Handicrafts and state govt supported Artisan societies to promote state specific handloom and handicraft products so they cannot promote or sell handicrafts of other states freely in exhibitions or in open market retail outlets due to these compulsions.
 - The retailers which are based at District Headquarters have small investments and sell handpicked traditional handicrafts having ready demand. They are not aware of all the contemporary products range available in Tripura and other states, nor are they willing to experiment with new products on a large scale.
 - We found limited marketing support facilitation by the Tripura State Government to popularize and market the unique propositions of handicrafts products. There is a perception among all the traders that the raw material from Tripura is of good quality but it has not been popularized enough to create a brand name. At least in the eastern corridor all products are synonymous with

products from Assam, which enjoys an undisputed brand name in bamboo handicrafts in the country.

8. Observations on the product mix of the 6 selected products

Product mix typically consists of four elements i.e. product, price, place and promotion. Observations from the market on these elements has been captured in the following section

a. Product:

- Most of the selected items under this study are linked to office folios and bags categories and thus feature as stationery items. These products are functional replacement for office stationery category items. Table mats are considered as part of home décor items.
- Each product, as per the market players, is unique either in terms of its dimensions or design. The visual quality of the products is very high but without physical access to the products, none of the market players were ready for any commitment of linkage. These products in terms of their dimensions and design are not commonly available in the markets.
- While both design and dimensions differ in various markets, it was worth noting that large orders that were booked on a specific dimension and raw material or design did not become flavour of the market. The products' design is catchy and good with colours which make it look attractive. But the real product quality can only be assessed when the products are placed physically at the traders' end.
- While, TBM's products seem good in design and colour and might have a good demand among customers, without physical assessment and test marketing they shy from placing orders. Moreover, their requirement of quantum of the customized product is always on a tight timeline, which has to be assured and committed by TBM for getting business. It has been understood from them that they would need the product to be placed physically to know the exact consumer feedback on price, design and quality.

Recommendation: Exclusive bamboo handicraft market in the states is limited. The 6 products selected have not been available in the mainstream markets, though few products are sold in national level exhibition cum sales organized at the state level. Hence, test marketing of all these products can give an opportunity to assess demand among the customers. Moreover, coloured bamboo mat sticks as raw materials are in demand and are procured from Kolkata market by retailers to value add (stick terracotta figurines of animals, birds etc) and sell it as wall hangings. Such raw material linkages can be thought by TBM. TBM has to individually liaise with the buyers to get their design specifications. The rates also vary accordingly. Order volumes vary as stocking at the wholesalers' end is minimal. Further, orders often come with short gestation and varying design requirements. Therefore, the production clusters of TBM has to maintain a ready stock of the basic inputs so that fabrication may be undertaken within the shortest possible time and orders serviced within the target period.

b. Price:

- TBM's price of the products is on the higher side. All the products except the pen stand were perceived to be very highly priced in comparison to the similar products. Market players were curious to know what results in such high pricing strategy, given that such products cannot be placed in routine markets where similar variants are available at half the price.
- Though, it is understood that the bamboo quality is very good in Tripura yet, there are products made of cane (from Assam) like round shaped utility basket which are sold in same rate (Rs. 45 - Rs. 55) and cane products are in demand among the customers mainly due to the perception that cane is more durable and strong than bamboo products as per the market players.
- The flower vase, pen stand and lamp segment design is good and might draw the attention of customers. But the products are 25-50% costlier keeping in view of substantial additional costs to be borne on transportation.

Recommendation: Price rationalization is critical otherwise catering to markets (both conventional and niche) through established marketing channels would not materialise. Moreover, niche marketing through e-commerce platforms by registering on top notch selling portals may allow TBM to reap dividends. A dedicated team to explore and continuously follow up the sales would only provide boost to the sales.

c. Place:

- Availability of these products is a big concern for the wholesalers. They are not aware of the exact place from which these products can be sourced. Even if they wish to source it, they want it to these specific designs and dimensions to be customized so as to cater to different market they deal with. A direct correlation to the cost escalation (if the product is to be sourced from Tripura) is the most worrying and deterring factor for the wholesalers to continue working in the traditional products.
- While a minimum net profit of 10% on each product is sought by wholesalers, the retailer generally puts up 40-50% mark up on the purchase price of the products. Such a margin for high price TBM products with a more than average cost of transportation (~10% of the product value) seems highly improbable and therefore disinterests them.

Recommendation: Tripura being a landlocked state with practical challenges of communication and transportation involved in physical trading, it is suggested that online selling platform should be focused as ‘the channel of marketing’. Online platform for handicraft products with clarity on eco-friendly attributes of products. Bamboo craft marketing channels is predominantly through exhibitions that contribute to 60-70 percent of total sale across the state and is also applicable to India. Major players (state handicraft societies) have stalls in international market exhibitions for northeast at Greater Noida and there are two major seasons- autumn and spring fair selling of bamboo crafts happen. There international and national traders, wholesalers based out at major cities place orders and procure bamboo craft items.

d. Promotion:

- In the absence of a dedicated marketing and promotion team at TBM, the casualty is the popularization of the products. Most of the market players are unaware of the TBM let alone their products. Hence, they are at an information disadvantage to forge business relations.

Recommendation: Creating a platform for promoting entrepreneurs / wholesalers for Tripura bamboo products at state and Greater Noida level. Partnership with north east states as a whole for product marketing would be a viable strategy at least to partially overcome the transport and communication issues of Tripura.

6. Potential Buyer segments for the selected products

TBM had created its products with major focus on retail consumers. These consumers are expected to belong from the high income group keeping in mind the pricing and TBM's wish to deal with high value and high margin products. However, during the course of market scan under this study, it was found that no single buyer within established mainstream market with an acceptable (say over 10,000 pieces of an item per year) volume of trade exists for high value and high margin products. It was found that buyers are most concerned about steady and timely supply and fitment to stated specifications. In order to create space for its products within the existing market, TBM needs to establish an intensive liaison mechanism to engage with the market players and end customers. For this purpose, 3 major marketing channels viz. business-to-business (B2B), business-to-government (B2G) and business-to-consumer (B2C) has been identified which TBM can use for selling its products. Each of these channels caters to a few categories of buyers. The channels and categories of buyers specific to the selected 6 products of TBM are presented in the table below.

Marketing channel	Buyer categories (high potential)	Buyer categories (low potential)
B2B	<ul style="list-style-type: none"> Wholesalers (includes aggregators & producers) Handicraft emporium 	<ul style="list-style-type: none"> Retail shop Fashion boutique PSU Corporate house Hotel & Restaurant
B2G	<ul style="list-style-type: none"> Training institutes (Administrative training institutes, Banking colleges, sectoral institutes etc.) 	<ul style="list-style-type: none"> Line departments Guest houses, inspection bungalows, Hostels etc. Universities and colleges
B2C	*****	<ul style="list-style-type: none"> Online shoppers

In light of the above, the following focus areas and activities are recommended for TBM to cater to buyer categories listed with high potential

Marketing channels		
B2B	B2G	B2C
<ul style="list-style-type: none"> Establish direct contact through visits, telephone and email with buyers and online trading platforms (please refer Annexure 1: List of Potential Market Players) Supply material for test marketing Collect feedback on pricing and design & incorporate them Modify production processes as per market Devise market aligned production calendar 	<ul style="list-style-type: none"> Establish direct contact visits, telephone and email with organisations Participate in tenders Align product designs and production systems for servicing the orders 	<ul style="list-style-type: none"> Place products on TBM's own online platform Gather consumer feedback on price points and designs Create market aligned price point & design