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E-Commerce in silk industry of Assam: A critical study

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Abstract

In today's over changing market, it is very difficult for the business to survive without proper marketing facility and the influence have clearly shown in the silk industry of Assam which is flourished but the over changing modern technology affect in silk industry of Assam. Now a days most of the business sectors adopting modern technology and flourish on the contrary the silk industry of Assam which is now centered in Sualkuchi known as the Asia's largest silk village have fallen on bad days and unable to face competition from modern technology with the fast growing modern weaving techniques and more of that unable to compete the powerloom products. The produce of Sualkuchi depending on age-old and traditional method of weaving started to see its downfall. This article comprising about the benefits of E-Commerce in an organisation and an overview of silk industry of Assam.

KEYNOTE: Prospects of E-Commerce and silk industry of Assam.

INTRODUCTION: E-Commerce or Electronic Commerce is a modern technology for business and in today more of the business adopting E-Commerce and expanding their business worldwide. E-Commerce is a way to conduct business online instead of going to store. It also includes the entire online process of developing, marketing, selling, delivering, servicing and paying for products and services online. Connect business with the E-Commerce is not so difficult just we need internet connection in a computer.

Benefits of E-Commerce:

- 1) The business has now become a borderless market place including national and international markets. By becoming E-Commerce enabled, businesses now have access to people all around the world.

- 2) The paper-based information has decreased because the cost of creating, processing, distributing, storing data reduced and retrieving data very easily without spending time.
- 3) E-commerce has revolutionized the way consumers buy goods and services. The pull-type processing allows for products and services to be customized to the customer's requirements.
- 4) Enables reduced inventories and overheads by facilitating 'pull'-type supply chain management – this is based on collecting the customer order and then delivering through JIT (just-in-time) manufacturing. This is particularly beneficial for companies in the high technology sector, where

stocks of components held could quickly become obsolete within months.

- 5) The Internet is much cheaper than value added networks (VANs) which were based on leasing telephone lines for the sole use of the organization and its authorized partners. It is also cheaper to send a fax or e-mail via the Internet than direct dialing.
- 6) Digitization of products and processes. Particularly in the case of software and music/video products, which can be downloaded or e-mailed directly to customers via the Internet in digital or electronic format.
- 7) Businesses can be contacted by or contact customers or suppliers at any time.

Limitation of E-Commerce:

- 1) Lack of sufficient system security, reliability, standards and communication protocols. There are numerous reports of websites and databases being hacked into and security holes in software. There are some lacks and need to improve when one use E-Commerce regularly, So, the customer need to be sincere when use E-Commerce and think hundred times before give any sort of personal information. The companies that use E-Commerce for their business purpose improve reliability and given more priority on security.
- 2) Rapidly evolving and changing technology, so there is always a feeling of trying to 'catch up' and not be left behind.
- 3) Under pressure to innovate and develop, business models to exploit the new opportunities which sometimes leads to strategies detrimental to the organization. The ease with which business models can

be copied and emulated over the Internet increase that pressure and curtail longer-term competitive advantage.

- 4) Facing increased competition from both national and international competitor so often leads to price wars and subsequent unsustainable losses for the organization.
- 5) Problems with compatibility of older and 'newer' technology. There are problems where older business systems cannot communicate with web based and Internet infrastructures, leading to some organizations running almost two independent systems where data cannot be shared. This often leads to having to invest in new systems or an infrastructure, which bridges the different systems. In both cases this is both financially costly as well as disruptive to the efficient running of organizations.

IMPACT OF ELECTRONIC COMMERCE:

E-Commerce or Electronic Commerce is a new business concept that incorporates all previous business management and economic concepts. As such, E-Business and E-Commerce impact on many areas of business and disciplines of business management studies.

- 1) Issues of on-line advertising, marketing strategies and consumer behavior and cultures. One of the areas in which it impacts particularly is direct marketing. In the past the business was mainly door-to door, home parties, local markets. This moved to telemarketing and TV selling with the advances in telephone and television technology and finally developed into e-marketing

- 2) Development of different network and computing technologies and languages to support E-Commerce and E-Business, for example linking front and back office legacy systems with the 'web based' technology.
- 3) On-line banking, issues of transaction costs, accounting and auditing implications where 'intangible' assets and human capital must be tangibly valued in an increasingly knowledge based economy.
- 4) The impact of E-Commerce on local and global economies, understanding the concepts of a digital and knowledge-based economy and how this fits into economic theory.
- 5) The impact of on-line processing has led to reduced cycle times. It takes seconds to deliver digitized products and services electronically; similarly the time for processing orders can be reduced.

E-COMMERCE AND ITS IMPORTANT:

E-Commerce or Electronic Commerce is a modern technology adopting most of the business sector to expand their business. E-Commerce is a revolution of modern business practices. Electronic Commerce uses computer networks to improve organizational performance. Electronic Commerce can possible increasing profitability, gaining market share, improving customer service, and delivering products faster are some of the organization performance. If a organizations want to take advantages of new Internet technologies, then the organization must take a strategic perspective. That is, they must take care to make a close link between corporate strategy and electronic commerce strategy. Electronic commerce is not just of ordering goods from an on-line catalog. It involves all aspects of an organization's electronic interactions with its stakeholders,

the people who determine the future of the organization. Thus, Electronic Commerce includes activities of establishing a Web page to support investor relations or communicating electronically. Electronic Commerce or E-Commerce involves the use of information technology to enhance communications and transactions with all of an organization's stakeholders. Such stakeholders include suppliers, customers, financial institutions, employees, government regulators, managers and the public at large. The Internet raises quality of life, and it has the potential to perform this miracle on a global scale. Today the Internet has begun to make some big changes in the business.

Another way to understand the Internet is to consider the attributes that make it unique. These factors include the following:

1. The speed of transferring information and the increasing speed of economic transactions.
2. The time compression of business cycles.
3. The influence of interactivity.
4. The power and effectiveness of networks.
5. Opportunities for globalization.

E-Commerce is about setting our business on the Internet, allowing visitors to access our websites and go through a virtual catalog of the products and services online. When a visitors or customers want to buy something his/her selected item has been added to the virtual shopping basket. The items in the shopping basket can be added or deleted. when a customer all set to check out the complete total checked by the checkout counter and may ask some information i.e. name ,address etc. the payments should be via credit card and when entered all information which is transferred securely. Then customer just waits for delivery of the product.

SILK INDUSTRY OF ASSAM: Assam handloom industry is mainly concentrate in Sualkuchi which encompasses cotton textile, silk textile as well as traditional *Khadi* cloth endowing high social and moral value in and outside the state. However, Sualkuchi is well known for silk textiles both mulberry and muga silk. In fact muga, “the golden fiber” is produced only in Assam and it has also tremendous export potentiality.

Sualkuchi had 16,717 silk looms in 2,968 households out of 4023 families as per survey in 2002. And seeing the benefits of this industry, many families have also undertaken silk-weaving, leading to the growth of a silk industry cluster since the seventies of the last century. The cluster had 23,872 silk looms, besides 3,915 cotton looms in the year under reference. However the number of active looms was 19,168 in the cluster (Sualkuchi had 13,767 looms) Out of these looms 14,910 were producing pat fabrics, 2,817 muga and 1,441 tasar cloths besides 85 semi-commercial eri looms. The maximum numbers of looms, 15,017 were engaged in weaving mekhela chadar, 2,902 producing sarees, 1,216 weaving thaans or plain sheets and only 33 looms had woven Khasi dresses. Total quantity of fabric production in the year was 30 lakh square metres worth Rs. 7,060 lakh in round figure. Production of mekhela chadar was 3.37 lakh pieces, saree 78,000 pieces, 76,000 pieces thaans while the weaving of Khasi dress was negligible compared with other products. Marketing of these products is done mainly by the private silk stores spread over the towns and cities of the Brahmaputra Valley. They sell 59 percent of cloth of the fabrics; other private agents like ferriwalas sell 31 per cent. While the co-operative societies provide the market with only 3 per cent of the remaining 7 per cent are returned to the yarn suppliers who engage the looms of the poor households

working under sub-contract or putting out system.

The importance of the handloom industry lies in its employment potential. A silk loom of the cluster provides employment to 1.76 persons as weaver, helper, yarn winder and muga reeler and a person on management. Out of 19,618 weavers of the active looms, family weavers were 5,341 (27.86 per cent) as against 13,827 (72.13 per cent) hired weavers. Female weavers (10,496 or 54.75 per cent) as against 8,672 or 45.24 per cent male weavers generally dominate the weaving profession. Any way the market of the silk products remains confined within the Brahmaputra Valley although some sarees and plain sheets are purchased by non-Assamese customers.

ANALYSIS OF STUDY: Traditionally, sericulture is a major cottage industry in the State. Non mulberry silk in general and Muga silk in particular has been closely associated with the rituals and traditions of Assam and, thus, silk production and its usage has been an important household activity in the State over the years. Rearing of Eri, Muga and Mulberry silk worm are playing an important role in the economic development of a large section of rural population of the State. The sericulture activities in Assam are increasing day by day. Moreover the life of weavers of this sector is not developed. They concentrate only producing the indigenous items. The State Sericulture Department although did not implemented any specific Scheme for the empowerment of the weavers inclined in this sectors. More than 65 percent of the people obtaining livelihood from this activities and women of Sualkuchi play a significant role in handloom activities. Catalytic Development Programme, a central scheme has given priorities to women beneficiaries for taking up different

projects. In such cases, 30 percent of all beneficiaries' oriented schemes are reserved for women beneficiaries. In addition, the department also adopting technology programmes especially for women, NGOs/entrepreneurs engaged in production of yarn and fabric by providing financial assistance.

It is reported that the State has produced 88.73 MT Muga Raw Silk, 819.09 MT Eri Raw Silk and 8.35 MT Mulberry Silk during the year 2009-10 as against 101 MT Muga Raw Silk, 810.00 MT Eri Raw Silk and 10.00MT Mulberry Silk in 2008-09. During the year 2006-07, the production of Muga Raw Silk, Eri Raw Silk and

Mulberry Raw Silk was 99 MT, 665 MT and 9 MT respectively.

The total area under Silk worm Food Plants has been recorded significant increase to 21229 hectare during 2009-10 from 18556 hectare in 2008-09. During the year 2006-07 the area under silk worm food plant was 18392.045 hectare. The total production of Silk Yarn, however, recorded marginal fall from 921 MT in 2008-09 to 916.17 MT in 2009-10. The decrease of production of silk yarn during the year 2009-10 was effected due to fall in production of Muga raw silk and Mulberry raw silk by 12.15 percent and 16.5 respectively over 2008-09.

Table 1: Sericulture activities in Assam

Sl. No.	Item	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
1	Sericulture Village (Nos)	9683	9373	9373	9537	10532
2	No. of families engaged	196152	191434	239281	238578	260707
3	Area under silk worm food plant (In Hect.)	18556	18392	18548	18556	21229
3.1	Eri	7293	7382	7531	7538	7623
3.2	Muga	7255	7299	7305	7305	8902
3.3	Mulberry	4007	3711	3712	3713	4704
4	Yield of cocon	-	-	-	-	-
4.1	Ericut in cocon(In MT)	700	887	1046	1080	1089
4.2	Muga cocon(In Lakh Nos)	4905	4933	4302	5040	4436
4.3	Mulberry Reeling cocon (In MT)	119	92	110	100	84
5	Production of silk yarn (In MT)	634	773	884.81	921	916.17

5.1	Eri Raw Silk	525	665	784.26	810	819.09
5.2	Muga Raw Silk	98	99	91.07	101	88.73
5.3	Mulberry Raw Silk	12	9	9.48	10	8.35

Source: Directorate of Sericulture, Assam

During the period of study, there are few problems identified that are being faced by the Handloom and Textile industry of Assam. The major problems are mentioned below:

- 1) Shortage of skilled and expert weavers.
- 2) Lack of capital and credit facilities.
- 3) Lack of processing and finishing facilities.
- 4) Weavers concentrate too much on Govt. assistance rather than their own effort.
- 5) Lack of efficient marketing facilities, modern designs, pricing and packaging.
- 6) Government schemes are not properly implemented.

The study of Handloom & Textile is very important because it plays a vital role in providing gainful employment opportunities to the people of Assam. Weaving is the only activity, next to agriculture, which provides livelihood to the people particularly in the rural areas of Assam. Weaving is an influential medium which plays an imperative role in developing the socio-economic status of the economically weaker section in rural areas of Assam.

At present, it has been observed that a drive of women empowerment has gained impetus all over the world. Since handloom sector is women friendly it provides employment opportunities to women to a great extent. So the handloom sector helps women to be self-sufficient and empower with earnings and social status, which is very important for a civilized society.

Traditional Commerce v/s E-Commerce:

The traditional commerce activities are very effective in some business processes, and these processes cannot be improved upon through technology or E-Commerce. Some products that buyers prefer to touch, smell, or examine closely are difficult to sell using electronic commerce. For example, a customer might be reluctant to buy high-fashion clothing and food products, if they cannot examine the products closely before to purchase them. In the case of traditional commerce, the merchants have years of experience in creating store environments that convince a customer to buy. This combination of designing store, layout and product display i.e. keeping the products in a right place where customer can easily get that and knowledge of designing store is called merchandising. Sales person in course of time develop their skills to identify customer needs and find products and services that meet those needs. The arts of merchandising and personal selling can be difficult to practice over an electronic link or E-Commerce.

In E-Commerce business this is not possible, a customer can only see the products, E-Business is done over an electronic link. In E-Commerce business security issues is involved so, the customer have to be careful before payment for the product via credit card. The customer wait for the products when the company delivered but in Traditional business a customer can choose and get the product instantly. In E-Commerce, a customer have more option for choosing products by

visiting different sites and allow them to compare the product.

E-Commerce activities in silk industry of Assam: The silk industry of Assam is concentrating only the local market. As mentioned previously that now Sualkuchi is became the centre of silk industry of Assam. The Sualkuchi is became the Asia's second largest silk village and the weavers of this silk village has tremendous potentiality. The indigenous weavers of this silk village felt on bad days because they are unable to compete with the modern technology. The silk industry of Assam has been growing but the socio economic status of the weaver inclined this sector is not flourished. The demand of silk inside and outside the state is huge and silk industry is one of the major contributor of state revenue. To strengthen the handloom sector various development schemes have been undertaken by the Assam Government. Providing weavers with quality fabrics, modernization of looms, creation of commercial motivation amongst the weavers, extension of training facilities, development of textiles designs etc. include. The Handloom & Textiles Department trained 1650 artisans in its Handloom Training Centres in the year 2009-10, Apart from this, the Handloom & Textile Department have been implementing Chief Minister's Assam Bikash Yojana since 2007-08 and completed implementation for the years 2007-08. For self employment potentialities among the women weavers and the empowerment of the weavers, the Handloom & Textile Department has taken initiative to give benefit to 1.20 lakh women weavers of the State under the programme incentive to Handloom weavers. The Department has organized 49 District level Fairs, 22 Special Handloom Expos and 5 National Handloom Expo in the State during the year 2009-10 for publicity of the development programme as well as to create awareness about the handloom products of

the State. National Institute of Fashion technology was set up in collaboration with North Eastern Council (NEC) and National Institute of Fashion Technology (NIFT), Kolkata to train professionals to meet the varied manpower requirement of the apparel section, but also a solid foundation to which the country could profitably transform to meet the international challenges. Proper E-Commerce technology in this sector is not applied yet. There are very few private company in Sualkuchi which taking their order through E-Mail. There may be many reason that the E-commerce is not so popular among the private silk industries. The main reason behind that they are not adequate of this technology, they don't have trained people, security is involved with this technology, and use of E-Commerce is costly rather than simply taking customers orders through E-Mail and delivered via courier. The State Govt. recently announced to open a silk college in Guwahati where trained the weavers, teaches them about the technology that weavers can apply in future. Weavers here have hardly been successful in finding a market for the products. According to officials, resistance to using modern technology was the main reason behind the decline. Despite demands for silk attires in the European market, the weavers failed to meet the growing demand due to technological stagnation and lack of interest to introduce innovations.

SUMMARY AND CONCLUSION: In this over changing market it is very much necessary for the business to adopt E-Commerce. Now days, where all the business sectors have given priority on E-Commerce because E-Commerce help them for expanding their business worldwide. E-Commerce or Electric Commerce, where buyers met sellers and all the operation perform online just we need a computer and internet connection. On the other hand the weavers of Assam are only concentrate to

produce their indigenous garments using traditional methods and design. The product produced by the weavers are confined in the domestic market. As we know ,that there is a huge demand of handloom items in the foreign markets , but the weavers of this area are not aware about this , due to lack of information technology. The government of Assam only conducts handloom Expo and events in various place time to time but this is not enough in today's competitive market. As mentioned that the private organization involved ferriwalas in business to sell their product but this is time consuming and less benefits. E-Commerce is web based business application that helps business to spread worldwide over internet. The weavers of Sualkuchi can't think of that and not aware the prospects of this sectors. Another serious problem faced by the weavers is that their products affected from the product of powerloom. Several private Silk industry

established in Sualkuchi use power loom for production, moreover they did not get the proper marketing facility, their market confined within the district and state. E-Commerce is a modern technique that can easily expand business. Applying E-Commerce in business is not costly , But still the silk industry of Assam is not adopting this modern technique ,some business person taking orders through E-mail but that's not enough, now a days there are several web sites where people upload their products and sell online within a very few seconds and also paying online. Handloom textile cottage industry plays an important role in the socio-economic life of Assamese people, particularly in rural areas of Assam. The Govt. of Assam is paying more importance for the upliftment of socio economic status of the female.

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