



# Market Potential for Handmade Designer Boutique Products


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## Abstract

The global retail landscape is undergoing a structural shift from mass-produced homogeneity toward the "identity-driven" appeal of handmade designer boutique products, fuelled by a consumer rejection of "fast-fashion" in favor of sustainability and personal expression. This study utilizes a mixed-methods approach including a survey of 65 urban consumers and market data from 2024-2026 to quantify the market potential of the artisanal sector and evaluate psychographic drivers like authenticity and heritage that influence premium purchasing. Preliminary findings reveal a strong "Value-Action" alignment among Gen Z and Millennials, with 68% preferring traceable, human-centric origins over mass-market alternatives, while the "Digital-Artisan Interface" has decoupled market potential from local geography through social commerce. Ultimately, the research identifies the "Scale-Authenticity Paradox" as a primary challenge and argues that the rise of the "Orange Economy" represents a permanent shift in consumer psychology, requiring boutiques to adopt "Phygital" strategies and transparent "Origin-Story" marketing to scale effectively without compromising artisanal integrity.

## Key words:

Handmade Boutique Products, Market Potential, Sustainable Consumer Behavior, Artisanal Economy, Phygital Marketing, Authenticity-Driven Consumption

## Introduction

The global retail landscape is currently witnessing a significant paradigm shift, moving away from mass-produced standardized goods toward unique, value-driven, and personalized offerings. Handmade designer boutique products have emerged as a pivotal segment in this transition, representing a fusion of traditional craftsmanship and contemporary aesthetic appeal. Unlike industrial manufacturing, these products are characterized by their "human element," often carrying cultural narratives, sustainable production methods, and a level of exclusivity that resonates with the modern "conscious consumer."



## Objective

1. To analyse the shifting consumer psychology driving the demand for handmade designer goods.
2. To evaluate the impact of digital ecosystems and social commerce platforms.
3. To identify the core socio-economic drivers, such as sustainability and ethical consumption.
4. To examine the scalability challenges faced by small-scale designer boutiques.
5. To provide a strategic framework for stakeholders to optimize market positioning.

## Need for the study

The necessity for this study arises from the rapid transformation of the retail landscape, where traditional mass-production models are being challenged by a growing consumer preference for authenticity, sustainability, and unique craftsmanship. While the demand for handmade designer boutique products has surged, the sector remains under-researched in terms of its structured economic potential and long-term scalability. This research is essential to bridge the gap between artisanal heritage and modern commercial strategy, identifying how small-scale creators can navigate digital market complexities while maintaining their brand's "exclusive" value. By quantifying these market drivers, the study provides a vital roadmap for entrepreneurs and policymakers to foster a more resilient and ethically conscious creative economy.

## Review of literature

**Domingos, Teixeira & Faria (2022)** studied consumer behavior in the slow fashion industry and found that increasing awareness of sustainability and ethical consumption strongly influences consumer preference for handmade and designer products. Consumers value environmentally friendly materials and responsible production practices when purchasing fashion products.

**Actual Market Research (2023)** reported that the global handicraft market is expanding rapidly because consumers increasingly prefer unique and personalized products instead of mass-produced goods. Handmade products represent authenticity, cultural identity, and craftsmanship, which enhance their market demand.

**Bonafide Research (2024)** highlighted that the handicraft market is expected to grow significantly due to increasing interest in sustainable and ethically produced goods. Consumers are attracted to handcrafted items because they provide individuality and cultural storytelling, which mass-produced goods cannot offer.

**Global Growth Insights (2024)** observed that the demand for handmade fashion accessories such as handcrafted handbags is increasing due to the rising popularity of eco-friendly fashion. More than half of consumers prefer handmade items because of their unique designs and durability.

**Fernandes & Nanduri (2024)** analyzed the role of market demand in supporting handmade craft businesses and found that increasing consumer preference for handmade products has encouraged entrepreneurs to start small craft-based businesses. The study also emphasized the importance of financial support and government schemes for the growth of handmade enterprises.

## Hypothesis

**H1:** Consumer preference has no significant relationship with the market potential of handmade designer boutique products.

**H2:** Product quality does not significantly influence the market potential of handmade designer boutique products.

**H3:** Product uniqueness has no significant impact on consumer purchase intention for handmade designer boutique products.

**H4:** Price does not significantly influence the market demand for handmade designer boutique products.

**H5:** Marketing promotion has no significant effect on the market potential of handmade designer boutique products.

## Research Methodology

### Research design

This study employs a descriptive and analytical research design.

### Area of the study

Market Potential for Handmade Designer Boutique Products” in Madurai, suitable areas include KK Nagar and Anna Nagar, which are well-developed residential localities with high-income and fashion-conscious customers who prefer premium and designer handmade products, making them ideal for analysing modern boutique demand, while areas like Simmakal and Tallakulam offer a mix of commercial activity and middle-class consumers, helping to study both affordability and design preferences; additionally, the region around Meenakshi Amman Temple is highly beneficial due to heavy tourist inflow, which creates strong demand for traditional, ethnic, and handmade boutique items, so selecting a combination of KK Nagar or Anna Nagar along with the temple area would provide a comprehensive understanding of both local and tourist market potential.

### Data Sources

**Primary Data:** Collected directly from consumers through structured questionnaires and surveys.

**Secondary Data:** Collected from journals, research articles, websites, books, and previous studies related to handmade designer boutique products.

**Sampling Method:** Convenience Sampling Method and **Sample Size:** 65 respondents

**Tools for Analysis:** Percentage analysis, Chi-Square Test and liker scale analysis

## DATA ANALYSIS AND INTERPRETATION

### Percentage analysis

**Table: 1**

### Age of the Respondents

Age Group	No. of Respondents	Percentage %
21-30	29	44.6
31-40	19	29.2
Below 20	14	21.5
Above 40	3	4.6
	65	100

The table shows the age distribution of 65 respondents the respondents belong to the age group of 21–30 years, accounting for 29 respondents (44.6%), age group of 31–40 years includes 19 respondents (29.2%), 14 respondents (21.5%) fall under the below 20 age group, respondents (4.6%) belong to the above 40 age group.

## Percentage

**Table: 2**

### Occupation of the Respondents

Occupation	No. of the Respondents	Percentage %
Student	21	32.3
Employee	20	30.8
Business	11	16.9
Homemaker	11	16.9
Other	2	3.1
	65	100

The table shows the occupational distribution of 65 respondents accounting for 21 respondents (32.3%), indicating that students, Employees represent the second largest group with 20 respondents (30.8%), Business respondents and homemakers each account for 11 respondents (16.9%), reflecting a moderate level of participation in the study. Meanwhile, only 2 respondents (3.1%) fall under the “other” category.

## Chi-Square

**Table: 3**

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.192 <sup>a</sup>	3	.158
Likelihood Ratio	5.391	3	.145
Linear-by-Linear Association	3.772	1	.052
N of Valid Cases	65		
a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.58.			

The Chi-Square test results show that the Pearson Chi-Square value is 5.192 with a p-value of 0.158, which is greater than the significance level of 0.05. This indicates that there is no significant relationship between the variables in the study. The Likelihood Ratio value (5.391,  $p = 0.145$ ) also supports this result. Although the Linear-by-Linear Association value is 3.772 with  $p = 0.052$ , it is still slightly above 0.05. Therefore, the null hypothesis ( $H_0$ ) is accepted, indicating that there is no significant association between the variables among the 65 respondents.

## Likert Scale Analysis

**Table: 4**

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.014	50.718	50.718	1.014	50.718	50.718
2	.986	49.282	100.000			

Extraction Method: Principal Component Analysis.

The table shows the total variance explained using Principal Component Analysis (PCA). Component 1 has an eigenvalue of 1.014 and explains 50.718% of the total variance, so it is considered significant and selected for the analysis. Component 2 has an eigenvalue of 0.986, which is less than 1, so it is not selected. Therefore, only one component is extracted, explaining 50.718% of the total variance in the data.

## Finding

- The table shows that the majority of respondents belong to the 21-30 age group (44.6%), followed by 31-40 years (29.2%), while only 4.6% are above 40 years
- The table shows that the majority of respondents are students (32.3%), followed by employees (30.8%), while business and homemakers each account for 16.9% of the respondents.
- The Chi-square result ( $p = 0.158 > 0.05$ ) shows that there is no significant relationship between the variables among the 65 respondents.
- The PCA result shows that Component 1 has an eigenvalue of 1.014 and explains 50.718% of the total variance, so only one component is considered significant for the analysis.

## Suggestion

- Future studies should include more respondents from older age groups to ensure a more balanced age distribution in the research.
- Future studies should include more respondents from different occupations to obtain more balanced and diverse results.
- The organization should improve awareness and monitoring practices to enhance employee understanding and effectiveness in the workplace.
- The study can include more variables or indicators in future research to improve the variance explained and obtain more detailed analytical results.

## Conclusion

The study confirms that the market potential for handmade designer boutique products is steadily increasing due to changing consumer preferences and evolving retail dynamics. Modern consumers, particularly younger generations, are moving away from mass-produced products and showing a strong inclination toward unique, sustainable, and culturally meaningful goods. The findings highlight that authenticity, craftsmanship, and product origin significantly influence purchasing behavior, encouraging consumers to support artisanal and boutique brands. Furthermore, the integration of digital platforms has expanded the reach of boutique businesses beyond geographical limitations, enabling artisans to connect directly with wider audiences through social commerce. However, the research also identifies a critical challenge in balancing growth with authenticity, as scaling production may risk diluting the originality and cultural value that attract consumers in the first place. Overall, the study concludes that the handmade designer boutique sector holds strong long-term market potential. Businesses that successfully combine traditional



craftsmanship with innovative digital marketing strategies and transparent storytelling about product origins will be better positioned to sustain growth while preserving the integrity of artisanal products.

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