THE ARTISAN & HIS AUDIENCE
Identification with Work and Price Setting in a Handicraft Cluster in Southern India

Aruna Ranganathan / Stanford GSB
Evidence PDW / AOM 2019
<table>
<thead>
<tr>
<th></th>
<th>Price</th>
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<tbody>
<tr>
<td>Me-Visiting</td>
<td>Rs.150</td>
</tr>
<tr>
<td>from US</td>
<td></td>
</tr>
<tr>
<td>Local Indian</td>
<td>Rs.100</td>
</tr>
<tr>
<td>Tourist</td>
<td></td>
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**Trader**
<table>
<thead>
<tr>
<th>Artisan</th>
<th>Trader</th>
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<tbody>
<tr>
<td>Rs.75</td>
<td>Rs.150</td>
</tr>
<tr>
<td>Me-Visiting from US</td>
<td></td>
</tr>
<tr>
<td>Rs.100</td>
<td>Rs.100</td>
</tr>
<tr>
<td>Local Indian Tourist</td>
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Identification with Work

- **Work as a labor of love** (Marx 1891, Adler 1992, Rosso et al 2010)

- **Develops in concert with doing one’s work** (Rosso et al 2010, Bunderson and Thompson 2009)
Implications of Identification with Work


- Mixed evidence on how individuals who identify with their work monetize their work output
  - Set low prices or accept low wages because they are intrinsically motivated (Scott Morton and Podolny 2002, Bunderson and Thompson 2009)
  - Prioritize financial gains in setting prices or wages (Bourdieu 1993, Brief and Nord 1990)
Implications of Identification with Work


- Mixed evidence on how individuals who identify with their work monetize their work output
  - Set low prices or accept low wages because they are intrinsically motivated (Scott Morton and Podolny 2002, Bunderson and Thompson 2009)
  - Prioritize financial gains in setting prices or wages (Bourdieu 1993, Brief and Nord 1990)
Under what conditions do individuals who identify with their work sacrifice financial rewards in their economic decisions and why?
Theory: Product Attachment and Audience Discernment

- Individuals who identify with their work can develop attachment to the products of their labor and care about welfare of work products beyond point of sale
Theory: Product Attachment and Audience Discernment

- Individuals who identify with their work can develop attachment to the products of their labor and care about welfare of work products beyond point of sale.

- Therefore, they prefer to transact with discerning audiences who will take care of their products.
Theory: Product Attachment and Audience Discernment

- The monetary value that individuals who identify with their work seek for their work output depends on their audience.
Theory: Product Attachment and Audience Discernment

- The monetary value that individuals who identify with their work seek for their work output depends on their audience
  - They underemphasize financial gains when transacting with discerning audiences
  - They focus on monetary rewards when transacting with non-discerning audiences
Presenting Evidence in a Multi-Method Study

- **Full Cycle Research Model** (Fine and Elsbach 2000)
  - 8 months of Ethnography, 22 Semi-Structured Interviews
    - Understand artisans’ unique relationship with their work, products and audiences
- **Field Experiment**
  - Investigate whether artisans charge differential prices to discerning and non-discerning audiences
- **Surveys of craft businesses**
  - Investigate mechanism of product attachment underlying price-setting behavior
# Summary of Research Process

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Data</strong></td>
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<tr>
<td>Thick description of artisans’ (and traders’) work and economic lives in Channapatna</td>
<td>Prices charged to different buyers</td>
<td>Seller controls: Age, work tenure, religion, income, education, neighboring seller density, distance from highway, visits to Bangalore</td>
<td>Product attachment Perceived willingness to pay of buyer categories Perceived discernment of buyer categories</td>
</tr>
<tr>
<td></td>
<td>Transaction controls: Availability of electricity, stock left, presence of seller’s spouse</td>
<td>Financial data: Bangle cost GPS data: Location of sellers</td>
<td></td>
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<tr>
<td><strong>Analysis</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Developing hypotheses about when and why individuals who identify with their work sacrifice financial rewards in setting prices.</td>
<td>Testing whether audience discernment moderates the salience of financial gains for individuals who identify with their work.</td>
<td>Testing whether the mechanism underlying creative workers’ price-setting behavior to different audiences is product attachment.</td>
<td>Validating the market price and product attachment measures.</td>
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Qualitative Evidence
"When I make a piece, I get attached to it. I develop affection for it...it’s like bringing up a child when you are an artisan."
Figures: Artisans' Work Process

1. **Wood cutting**
   - Hale wood (Wrightia Tinctoria), which is fine-grained and lightweight, is first cut into desired sizes.

2. **Wood seasoning**
   - The wood is then seasoned by laying it out in the sun.

3. **Wood turning on lathe**
   - The seasoned wood is fixed to a motorized lathe to turn it into various shapes using different tools.

4. **Polishing**
   - Sandpaper is pressed against rotating pieces of wood on the lathe to smooth and polish and prepare the wood for the application of lacquer.

5. **Lacquering**
   - Lacquer sticks in various colors, made with shellac and vegetable dyes, are applied against the rotating wood pieces giving a uniform layer of color.

6. **Finishing**
   - A dry kevda (screwpine) leaf is pressed against the rotating pieces to attain a uniform glossy finish.

7. **Painting**
   - The pieces are taken off the lathe and hand-painted with watercolor if desired.

8. **Assembly**
   - The finished pieces are inspected for any defects and assembled to make the final product.

9. **Selling**
   - The final products are stocked in the shop to be sold.
Map: Geocoded Artisan/Trader Locations
Images: Artisans’ Identification with their Work
Experimental Design & Evidence
## Experimental Design: Number of Sales Transactions by Sellers & Buyers

<table>
<thead>
<tr>
<th>Buyers</th>
<th>Artisans (N = 52)</th>
<th>Traders (N = 25)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian baseline (N = 2)</td>
<td>103</td>
<td>50</td>
<td>153</td>
</tr>
<tr>
<td>Indian craft (N = 2)</td>
<td>102</td>
<td>50</td>
<td>152</td>
</tr>
<tr>
<td>International (N = 2)</td>
<td>100</td>
<td>50</td>
<td>150</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>150</td>
<td>455</td>
</tr>
</tbody>
</table>
Experimental Results: Artisans’ Prices to Different Audiences

Figure 3: Traders’ Prices (in Rupees) to Different Audiences

Note: The perceived WTP (willingness-to-pay) for each audience category, obtained from a survey of artisans and traders, is as follows - Indian-Baseline: Rs.31.29, Indian-Craft: Rs.33.08, International: Rs.47.50. Error bars represent a 95% confidence interval around the mean. The exchange rate between Indian Rupees and US Dollars is Rs.50 = $1.

Figure 4: Artisans’ Prices (in Rupees) to Different Audiences

Note: The market price for each audience category is the mean initial price charged by traders, which is as follows - Indian-Baseline: Rs.31.04, Indian-Craft: Rs.32.72, International: Rs.45.30. Error bars represent a 95% confidence interval around the mean. The exchange rate between Indian Rupees and US Dollars is Rs.50 = $1.
Survey Evidence
Heterogeneous Effects: Evidence for Mechanism of Product Attachment

Panel A

Linear Prediction of Initial Prices

Work Process Involvement

- Indian baseline
- International
- Indian craft
Heterogeneous Effects: Ruling out Alternative Explanations
Conclusion

- “Story” of the paper should be evident by looking only at figures and tables
- When using multiple methods, use a table to summarize the research process
- Use figures and images to supplement presentation of qualitative data
- Use simple bar charts (with confidence interval bars) to communicate experimental results succinctly
- Show evidence for mechanism and rule out alternative explanations visually
Thank You!

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