

Product innovation, marketing strategies and local government support to handicraft industry in Ilocos Region: Inputs for local product development framework

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Abstract

Handicrafts, may boost economies worldwide. Furthermore, traditional craftsmanship is a crucial aspect of the cultural assets of a province. Hence, the researcher intended to determine the product innovation, marketing strategies, and local government support for handicrafts industry in Ilocos Region. It tested the significant difference in responses when grouped according to firmographic profile. The researcher used quantitative descriptive research method using an adapted survey questionnaire among the 402 Department of Trade Industry (DTI) registered local product businesses and souvenir shop owners, sellers, and workers in the handicraft industry. Further, Frequency, Percentage Distribution, weighted mean, ranking and Pairwise Comparison Test and Kruskal Wallis Test were used as statistical tools. The study concluded that most respondents are the owners and had been operating for 16-20 years with ten customers daily and below. Results revealed that in terms of product innovation, the local products industry is open to new handicraft developments and to achieve competitiveness. While in terms of marketing strategies, Ilocano artisans agreed that the 7ps of marketing play a significant role in this industry because the performance of existing strategies used for marketing handicrafts is far from satisfaction. Relatively, the respondent expressed their agreement on the impact of local government support on their businesses. In addition, there was a significant difference when grouped according to profile. With this, the research paper proposed a framework for local product development in the Ilocos Region founded on the result of the study and provided relevant recommendations.

Keywords: handicraft industry, local product, development framework, Ilocos region, Philippines

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1. Introduction

Many Filipinos are now engaged in handicraft businesses. These handicraft products use raw materials, skills, and talents to have a competitive advantage and support micro, small, and medium enterprises (MSMEs). Handicrafts have recently gained popularity due to their cultural value. Small-scale industries, particularly handicrafts, may positively contribute to the nation's economic development. However, (Upadhyay, 2020) argues that Handicrafts are more than just making money off cultural arts or selling them on display. It is about letting tourists understand the skill and craft at hand, realizing Handicraft's unique tradition, and connecting tourists with artisans to help them understand and appreciate the art. The future is in the hands of its traditional carriers, patrons, and people at the forefront of culture. The arts and crafts of the Ilocos Region are gradually going out of fashion due to their declining economic worth. These old crafts show skill and unique product lines but seriously need more markets, thus discouraging the new generation from learning their craft from the elders. However, the main challenges are the price and difficulty of obtaining raw natural materials such as rattan, yarn, and beads for handicrafts, an inadequate platform to market the products, and a lack of interest among the newer generation in continuing the tradition of the product (Tingi et al., 2021). There needed to be more marketing channels for producers was also a cause for concern, as many producers depended heavily on the tourist commerce in their region. Thus, Gonda et al. (2021) also pointed out that one problem with local products and manufacturers is that they need more marketing, collaboration, or a database.

Products made by craftspeople constitute a significant part of vacationers' expenditures, contributing significantly to the regional economy. Tourism also supports crafts, which helps to ensure their continued existence by fostering local culture by developing arts and crafts. Notably, in today's business world, small and medium-sized enterprises (SMEs) are experiencing increased competition as the national economy grows. Moreover, with the challenging opportunity offered by the local product, raw resources, inbred skills, and innate abilities might be used to create unique goods worthy of domestic and international markets. Thus, artisans must differentiate their products from mechanized ones and embrace innovation to grow and maintain market competitiveness through Authenticity Innovation, Product Design Innovation, Quality materials, and technological innovations (Shafi, 2021).

Along with producing these local industries in the locality, the researcher believed such business was holistic and encompassing. It focused on industries and the local level, explicitly strengthening and widening community resources, establishments, and cultural enrichment. The researcher could use the knowledge from this study to assist the community economically by utilizing the challenging opportunity that the local products industry offers. To the artisans/sellers/artisans, a mutual partnership that is more effective and efficient would be developed, which would result in the production of goods and services that are more competitive. Moreover, the Local Development Framework proposed in the study aimed to help the artisans and the community that help them to produce quality and innovative products. And also formulate an appropriate marketing mix strategy, and plan to create and strengthen the local product assistance programs and raise the sales and return on investment of small and medium enterprises that will improve the current status of local products in the Ilocos Region.

Objectives of the Study - This study aimed to assess the product innovation, marketing strategies, and local government support to local product in Ilocos Region and able to propose local product development framework. Furthermore, this study presented the business profile of the manufacturers of the local product in terms of years of operations, type of participants, number of customers daily; determined the product innovation of local product in terms of authenticity innovation, product improvement, product design innovation, quality materials and technology innovation; assessed the marketing strategies of local product in terms of product, price,

promotion, place of distribution, people, process, and physical evidence; discovered the assistance programs and local government support of local product in terms of skills development programs, marketing assistance programs, and financial assistance programs; tested the significant difference between product innovation, marketing strategies and local government support when grouped according to profile and proposed a framework based on the result of the study.

2. Methods

Research Design - The study used the descriptive correlation method of research. The approach gave accurate and meaningful details of the local production of the Ilocos Region. The descriptive analysis was performed in the study to determine the status of the identified variables and their relationships. The researcher utilized a questionnaire survey checklist and site visits as the main instrument of the study. Descriptive studies aim to describe individuals, events, or conditions as they occur in nature. The researcher does not change any of the variables but merely describes the sample and variables. Descriptive research can investigate numerous factors. It is the only design that can experiment with a single variable. Descriptive research examines the characteristics of a population. Identify flaws within a system's unit, organization, or population, and investigate differences in traits or behaviors between organizations or even countries (Siedlecki, 2020). In this study, descriptive research was used to assess the product innovation, marketing strategies and local government support to handicraft industry.

Participants of the Study - The people in the study population are the owners of registered and accredited of the Department of Trade Industry of local product businesses and souvenir shops and those who make, sell, and work for those businesses in the Ilocos Region. The souvenir shops and manufacturers of local products were selected based on the following criteria; 1.) They should be registered at the Department of Trade Industry in the years 2022. 2.) These souvenir shops and manufacturers should offer locally sourced materials and promoting traditional craftsmanship and signifying their provinces. 3.) The sellers and workers must be directly involved in the craft industry. The researcher utilized a sample of 402 respondents based on a total population of 1469 respondents. Moreover, DTI-accredited local producers and souvenir shops give their no. of employees through phone calls, email, and Facebook messenger and face to face and are identified by DTI Ilocos Norte and La Union through Freedom of Information in the number of workers and sellers. The sample size was based on an effect size of 0.27, a power probability of 0.95, and an alpha level of .05 using G*Power 3.1.9.2.

Data Gathering Instrument - A structured adapted questionnaire was utilized in gathering pertinent data needed in the study. The second part of the questionnaire under product innovation was adapted from the study of (Shafi et al., 2021). The third section, on the marketing strategies, was adapted from Makitha (2016). Lastly, questions for local government support were adapted from Appoy (2015) study. The researcher modified some parts to suit the present situation and research locale. To solve the problem of the language barrier that the respondents might encounter in providing the correct data, the researcher used questions in Filipino. The data gathering instrument consisted of four (4) parts. Part I gathered data on the business-related factors in terms of years of existence, Types of participants, and number of customers daily. The product innovation on a local product of the Ilocos Region in Part II. Hence, marketing strategies for local products is considered Part III. Moreover, Part IV elicited information on the extent of the local government's support for local products of the Ilocos Region. Moreover, the researcher adhered all the inputs of the panelists during the defense and submitted to the research adviser and checked the instrument is aligned to the objectives. In addition, instrument validation from the grammarian was also administered to make into phrased- based in ensuring the clarity, accuracy, consistency, and professionalism in the research instrument.

Hence, a pool of experts validated the questionnaire, and a pilot test was conducted with 30 respondents that it is not part of the study and some are outside of the Ilocos Region, through a google form. After the researcher was retrieved, the researcher tallied the responses to each question then submitted to the statistician for reliability testing. A reliability analysis (Cronbach Alpha) was computed to determine the interval consistency of the

product innovation, marketing strategies, and local government support. Furthermore, considering the Pearson product moment correlation using SPSS, the significant value presented in the table, it can be concluded that all items were valid denoting the r value of 0.05. The result of reliability statistics showed that the computed Cronbach's alpha value for product innovation (0.942) marketing strategies (0.967), assistance programs/ local government support to local product (0.927) signifies that the instrument has strong or excellent internal consistency in the rule of thumb. Thus, this set of questionnaires are considered valid and reliable for use.

Data Gathering Procedure - The data gathering starts after the instrument validation and pilot testing and with the approval of the instrument from the adviser and the Dean of the University. Using the information provided by each province, the researcher selected those souvenir stores and manufacturers producing local products such as bamboo crafts, buri crafts, seashell crafts, furniture, abel, and damili crafts, as indicated from the list provided by the Department of Industry. Furthermore, the researcher conducted a face to face approach and visited the souvenir shops and local products industries. The researcher prepared printed questionnaires for owners, sellers, and workers. The researcher waited for the survey form to be filled out and then looked over the data to ensure it was accurate and complete.

Ethical Considerations - The researcher ensured that all respondents participating in the research are free to answer the questionnaire. The respondents' willingness to answer the question stated in the printed questionnaire is appropriately informed following the Data Privacy Act 2012, which will uphold the data subject's rights. Identifying information includes, but is not linked to, names, email addresses, and phone numbers. There is no conflict of interest in conducting the study because the aim is to collect the data information in connection with the study. Consent forms were utilized during data gathering to ensure that respondents answered the survey voluntarily. On the other hand, the researcher emailed and asked permission from the authors to adapt their questionnaire. Thus, the researcher received the approval to adapt the questionnaire on product innovation, marketing strategies, and local government support.

Data Analysis - The data gathered treated statistically using the following statistical tools: Frequency and percentages describe the respondents' firmographic profile, including years of operation, types of participants and number of customers daily. Weighted Mean and Rank were used to determine the product innovation, marketing strategies, and local government support for the local product of the Ilocos Region. Moreover, Pairwise Comparison Test and Kruskal Wallis Test for more than two groups were used as non parametric tests to determine the significance differences on the responses between the firmographic profile and product innovation, marketing strategies and local government support to local product in Ilocos Region. With the assistance of the statistician, the data were tabulated and analyzed using SPSS version 26. A 5-point Likert scale for interpretation will be used in the study to determine the product innovation, marketing strategies and the extent of local government support to local products in the Ilocos Region: 5- Strongly Agree, 4- Agree, 3- moderately agree, 2- disagree, 1- strongly disagree.

3. Results and discussion

Table 1

Percentage Distribution of the Respondent's Firmographic Profile

Years of Operation	Frequency	Percentage %
Less than one year	41	10.2
2 to 5 years	65	16.2
6- 10 years	106	26.4
11-15 years	29	7.2
16-20 years	113	28.1
21 years and above	48	11.9

Types of Participants		
Seller	98	24.4
Worker	150	37.3
Owner	154	38.3
Number of customers daily		
10 customers and below	216	53.7
11-20 customers	92	22.9
21 customers and above	94	23.4

Table 1 presents the percentage distribution of the respondent's firmographic profile. As shown in the table, the profile was classified in terms of years of operation, participant types, and the number of customers daily. The result shows that a significant number of respondents answered 16-20 years (28.1 or 28.1 %), followed by 6-10 years (26.4 or 26.4 %), 2 to 5 years (16.2 or 16.2 %), 21 years and above (11.9 or 11,9 %), less than one year (10.2 or 10.2 %) and lastly, (10.2 or 10.2%). Most respondents (113 or 28.1%) had business within 16- 20 years. This implies that local products have had a need in the industry for several years. This proves that this local products business is the living traditions of the Ilocos Region and has been sustainable and profitable. Local products such as buri, abel, pottery, furniture, bamboo crafts, labtang, and seashells in the Ilocos region have existed for many years, proving that this is one of the primary sources of income for the people of the Ilocos Region.

However, 29 craftsmen (7.2%) were established for 11- 15 years. This proves that handicrafts industry is main source of income of the Ilocanos. They have been in the industry for how many years that makes local products one of the promising sectors of the economy and employment. The most popular research areas on this topic focus on crafts as a source of income for local communities, particularly in relation to tourism, job creation, and sustainability. Other areas of interest include studying demographic variables and economical effects concerning fresh craft products as well as procedures on rural areas, as well as exploring how crafts can help alleviate rural poverty. Handicrafts are strongly promoted as a means of revenue for underprivileged rural communities. (Fernández, et al., 2023). As advised by Dumasari et al. (2021), marketing creative handicrafts should consider sociological factors, including details like pricing, market orientation, patterns, and designs that mirror possible market trends and anticipate customer desire.

In terms of types of participants, a great percentage of respondents are the owner (38.3 or 38.3 %), followed by a worker (37.3 or 37.3 %), and lastly, a seller (24.4 or 24.4 %). The respondents (154 or 38.3%) are owners. The findings indicate the significant presence of owners in the local products industry among the respondent. Their role as creative entrepreneurs, brand ambassadors, industry experts and community leaders shaping the landscape of artisanal craftsmanship. On the other hand, the least number of respondents are sellers with 24.4%. This lends credence to the notion that the personnel working in the handicraft industry are the sellers responsible for marketing and selling the product. Additionally, they have contributed to the revenue generated by the handicraft industry through sales. Regarding salespeople, the seller's friendly, helpful, and knowledgeable qualities are essential. Thus, their expertise, dedication and commitment to promoting handmade products make the sellers are essential partners in the success and growth of the local products industry.

As regards the number of customers daily, the majority of the respondents answered ten customers and below (53.7 or 53.7 %), followed by 21 customers and above (23.4 or 23.4 %), and lastly, 11-20 customers (22.9 or 22.9 %). It shows that local products making are undoubtedly the family's primary source of income. This suggests that the economy of medium and small businesses is impacted in Ilocos Region due to the numerous unforeseen events that have occurred there, such as the earthquake and the pandemic. The study endorses a possible growth of local crafts and the preservation of traditional workmanship through collaborations between indigenous craftsmen and foreign consumers. Fostering client involvement in collaborating with the handicraft community can result in the development of creative product ideas for marketplaces, thus strengthening economies. (Chai-Arayalert et al., 2023)

Table 2*Product Innovation to Local Product in Ilocos Region*

Indicators	Weighted Mean	Verbal Interpretation	Rank
1. Authenticity	4.25	Agree	4.5
2. Product improvement	4.27	Agree	3
3. Product design	4.40	Agree	2
4. Quality Materials	4.57	Strongly Agree	1
5. Technological	4.25	Agree	4.5
Composite Mean	4.35	Agree	

Table 2 summarizes product innovation to local products in the Ilocos Region. The composite mean of 4.35 indicates that respondents agreed in general. Four indicators given were verbally interpreted as agree. These findings suggested that Ilocanos valued product innovation as a key driver of differentiation, customer engagement, market relevance, and brand identity in the competitive artisanal market. Among all the indicators cited, the fourth indicator (4.57) ranked first, respectively, which is interpreted as strongly agree, is the quality of materials, and was followed by product design with a mean rating of 4.40 and interpreted as agree. The respondents are meticulous with the aesthetic properties of the product without altering the quality in terms of texture, art, and style for cultural preservation reasons.

The craftsmanship of the item profoundly impacts an outlet's performance (Purwanto et al., 2019). Roy and Mohapatra (2023) presented the creativity and innovation in the handicraft sector. It started with the cultural background affecting creativity, which then impacts innovation. They found that innovation impacts marketability and noted an adverse correlation with uniqueness. Cultural embeddedness and cultural aggregation were shown to influence the link between creative thinking and innovative thinking. Alternatively, the least on the ranking, interpreted as agree, is the product improvement (4.27). Then, authenticity and technology have the same weighted mean of (4.25). This may imply adopting machines or new technology to increase productivity with a desired time of demand. At the same time, it would also risk the product's quality and tarnish the essence of being called a local handicraft. Shafi et al. (2021) found that the majority of purchasers are open to embracing inventiveness in handicrafts. Consumers value innovations that maintain traditional product characteristics like realness, presentation, and standards of excellence, but they are cautious of technology advancements.

Table 3**Marketing Strategies to Local Product in the Ilocos Region**

Indicators	Weighted Mean	Verbal Interpretation	Rank
1. Product	4.40	Agree	4
2. Promotion	4.20	Agree	5
3. Price	4.12	Agree	6
4. Place of Distribution	4.08	Agree	7
5. People	4.50	Strongly Agree	2
6. Process	4.45	Agree	3
7. Physical Evidence	4.64	Strongly Agree	1
Composite Mean	4.34	Agree	

Table 3 summarizes the marketing strategies for local products in the Ilocos Region. The composite mean of 4.34 indicates that respondents agreed in general. It signifies that Ilocanos have an understanding of the alignment of the key principles and approaches that drive successful promotion, positioning, and sales of local products. Among all the indicators cited, the seventh indicator (4.64) ranked first, respectively, interpreted as strongly agree, is the physical evidence. It was followed by the fifth indicator (4.50) respectively, which is interpreted as strongly agree is the people. This shows that physical evidence, such as genuine handcrafted goods, acts as a concrete depiction of the artisan's talent, inventiveness, and workmanship. Customers may touch, feel, and experience the products themselves, allowing them to appreciate the quality, texture, and uniqueness of the artistic masterpieces.

Based on the findings Dumasari et al (2020), marketing strategies for creative handicrafts should incorporate various information, such as prices, market orientation, design and patterns reflecting possible market trends, and expected consumer demand. They must improve social capital and institutional performance. Any marketing plan should be responsive to market changes, trend-following, adaptable, and innovative. Alternatively, the least on the ranking, which is interpreted as agree, is the price (4.12), and place of distribution (4.08). Physical distribution is an important part of the whole supply chain management process, which includes logistics, warehousing, transportation, retail operations, customer service, and market access. Moreover, Kumar and PV (2019) argued that the handicraft sector is decentralized, cottage-based, and extremely labor-intensive. This industry, which employs the greatest number of women and members of the weakest segments of society.

Table 4

Assistance Programs/Local Government Support to Local products

Indicators	Weighted Mean	Verbal Interpretation	Rank
1. Skills Development	4.22	Agree	1
2. Marketing Assistance	3.97	Agree	2
3. Financial Assistance	3.83	Agree	3
Composite Mean	4.01	Agree	

Legend: 4.50 – 5.00 = Strongly Agree; 3.50 – 4.49 = Agree; 2.50 – 3.49 = Moderately Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

Table 4 shows the summary table on assistance programs/local government support for local products. The composite mean of 4.01 indicates that respondents agreed in general. These findings suggested that Ilocano artisans recognize the initiatives of the local government support in terms of enhancing their knowledge, marketing support, and financial assistance. Thus, local government plays a vital role in nurturing a thriving handicraft industry, preserving cultural heritage, and fostering economic growth and sustainability in the community. Among all the indicators cited, the first indicator ranked first, respectively, interpreted as agree, is skills development (4.22), marketing assistance (3.93), and it was followed by financial assistance (3.83). It shows that the the government-led skills development programs are instrumentals in empowering artisans, fostering creativity, adapting to market dynamics, preserving cultural heritage, promoting business sustainability, and upholding quality standards in handmade craftsmanship.

Oyekunle and Sirayi (2018) cited that the provincial government, non-governmental organizations (NGOs), and other groups that do not have the ability but are willing to provide the foundation of the support infrastructure needed for a program to promote handicraft sectors, as well as continue to set up locally based projects and training programs, should be helped. Apprenticeship programs that have been put in place recently to teach youth in order to solve the issue of the aging workforce and the lack of skilled workers. One of the things impacting the success of building efforts is the lack of labor, which is why trainee education opportunities are so important. (Osuzugbo et al., 2023). Another benefit is that they improve capacities for interaction including rules of conduct, optimism, and self-assurance (Thapa, 2024). On the other hand, the marketing assistance (3.97) and financial assistance (3.83) are still interpreted as agree. The results revealed which might be due but not limited to reasons on the proper allocation of community funds as promoted by the government in accordance with the products being prioritized. assist cooperatives or entrepreneurs in carrying out their tasks equitably. The recommendation of incentive schemes is required to support the expansion of service agencies, especially in remote places.

Table 5 disclosed the responses on product innovation when grouped according to profile. Based on the result, there were significant differences when grouped according to years of operation since the obtained p-values were less than the alpha level. This was noticed since the computed p-values were less than the alpha level. Based on the post hoc test conducted, those who operates for 16 to 20 years have better assessment than others. The local products that have been in the industry for several years are the ones that are more capable of producing large volumes of products sold. Moreover, also, they are skilled and experienced in local product crafting. Edralin et al. (2019) to satisfy consumer demands, entrepreneurs introduced new, improved, or

alternative versions of their handicrafts.

Table 5

Difference of Responses on Product Innovation When Grouped According to Profile

Years of Operation	χ^2_c / U	p-value	Interpretation
Authenticity	13.4	0.020	Significant
Product improvement	15.775	0.008	Significant
Product design	14.662	0.012	Significant
Quality Materials	40.106	0.000	Highly Significant
Technological	31.801	0.000	Highly Significant
Types of Participant			
Authenticity	1.715	0.424	Not Significant
Product improvement	16.467	0.000	Highly Significant
Product design	8.26	0.016	Significant
Quality Materials	4.226	0.121	Not Significant
Technological	5.246	0.073	Not Significant
Number of customers daily			
Authenticity	9.732	0.008	Significant
Product improvement	26.35	0.000	Significant
Product design	12.641	0.002	Significant
Quality Materials	9.227	0.010	Significant
Technological	14.762	0.001	Significant

Legend: Difference is significant at 0.05 alpha level

In addition, there was also significant difference on product improvement ($p = 0.00$) and product design ($p = 0.016$) when grouped according to types of participants. Based on the post hoc test conducted, it was found out that those who are owner have greater assessment on the above variables. This signifies that the owners are more involved in making their businesses grow and improving the quality of their local products. They were skilled and talented and took an active role in running the business. In addition, owners in the handicraft industry play a pivotal role in shaping product innovation, design, and material selection. Ghazinoory et al. (2020) argued that Innovation is essential for survival and sustainability, but innovation capability is minimal. Customers especially like improvements that preserve the traditional attributes of items, such genuineness, presentation, and quality-related advancements.

The responses on product innovation when grouped according to profile. Based on the result, there were significant differences when grouped according to number of customers daily since the obtained p-values were less than the alpha level. This was noticed since the computed p-values were less than the alpha level. Based on the post hoc test conducted, those who have 11 – 20 customers have better assessment than others. Dorin (2018), reiterated that the purpose of innovation, the introduction of the new, and the variety in human activity result in the role of innovation in economic and social life. According to Datiko and Bogale (2023) found out that local communities' concerns about economic, sociocultural, and environmental sustainability are supported when handicrafts are developed, planned, and managed appropriately for tourism-related purposes.

Table 6**Difference of Responses on Marketing Strategies When Grouped According to Profile**

Years of Operation	χ^2_c / U	p-value	Interpretation
Product	15.999	0.007	Significant
Promotion	43.297	0.000	Significant
Price	14.815	0.011	Significant
Place of Distribution	25.857	0.000	Highly Significant
People	32.413	0.000	Highly Significant
Process	14.834	0.011	Significant
Physical Evidence	19.33	0.002	Significant
Types of Participant			
Product	0.883	0.643	Not Significant
Promotion	15.021	0.001	Significant
Price	6.42	0.040	Significant
Place of Distribution	9.863	0.007	Significant
People	1.501	0.472	Not Significant
Process	12.874	0.002	Significant
Physical Evidence	0.452	0.798	Not Significant
Number of customers daily			
Product	5.648	0.059	Not Significant
Promotion	1.432	0.489	Not Significant
Price	26.98	0.000	Significant
Place of Distribution	2.437	0.296	Not Significant
People	3.281	0.194	Not Significant
Process	0.631	0.729	Not Significant
Physical Evidence	14.697	0.001	Significant

Legend: Difference is significant at 0.05 alpha level

Table 6 presents the responses on marketing strategies when grouped according to profile. Based on the result, there were significant differences when grouped according to years of operation because the resulted p-values were less than the alpha level. This was observed since the computed p-values were less than the alpha level. Based on the pairwise comparison, those who operates for 21 years and above years assessed the marketing strategies positively. This means that, much experience in the field, they are the best ones to develop marketing plans for their locally made goods. Hence, artisans with 21 years of experience in the handicrafts industry bring a wealth of knowledge expertise, and strategic insight to their marketing strategies. Their approach is characterized by strong brand identity, targeted marketing campaigns, multi-channel promotion, storytelling, customer relationship management, collaboration, and a focus on sustainability and ethics.

In addition, there was also significant difference on promotion, price, place of distribution and process when grouped according to types of participants. Based on the post hoc test conducted, it was found out that those who are workers have greater assessment on the above variables. This shows that the active involvement of workers in the marketing strategies of the handicraft industry can enhance brand visibility, customer engagement, product

storytelling, social media presence, and collaborative opportunities. Singh (2022) concluded that promoting the handicraft business now needs a bigger stage. Many promotional platforms emphasize the importance of handicrafts. Promotions are a significant step for any organization. Promotion is essential to the survival of every industry. Lastly, responses differ significantly on price and physical evidence when grouped according to the number of customers daily. These significant differences were found on those who have 11 to 20 customers.

Table 7

Difference of Responses on Assistance Programs When Grouped According to Profile

Years of Operation	χ^2_c / U	p-value	Interpretation
Skills Development	9.961	0.076	Not Significant
Marketing Assistance	54.961	0.000	Highly Significant
Financial Assistance	43.863	0.000	Highly Significant
Types of Participant			
Skills Development	4.075	0.130	Not Significant
Marketing Assistance	12.508	0.002	Significant
Financial Assistance	5.446	0.066	Not Significant
Number of customers daily			
Skills Development	2.293	0.318	Not Significant
Marketing Assistance	3.301	0.192	Not Significant
Financial Assistance	26.751	0.000	Highly Significant

Legend: Difference is significant at 0.05 alpha level

Table 7 illustrates the responses on assistance programs when grouped according to profile. Based on the result, there were significant differences on marketing assistance and financial assistance when grouped according to years of operation because the resulted p-values were less than the alpha level. This was observed since the computed p-values were less than the alpha level. Based on the pairwise comparison, those who operates for 6 to 10 years assessed the impact of marketing and financial assistance positively.

This means that employees with more years of experience in this kind of work can better help the company be more productive. Artisans with ten years of experience in the handicrafts industry can benefit significantly from marketing and financial assistance programs that offer support in brand visibility, market expansion, professional marketing expertise, product promotion, funding opportunities, capacity building, and sustainability initiatives (Rafiq, 2016). Shiekh (2023) there was a significant difference on marketing assistance when grouped according to types of participants. Based on the post hoc test conducted, it was found out that those who are worker have greater assessment on the above variables. Marketing assistance can empower workers in the handicrafts industry to enhance their visibility, expand market reach, build a strong brand, drive sales growth, gain a competitive advantage, and foster a meaningful relationship with customers and partners. By leveraging marketing support effectively, artisans can position themselves for success in a competitive market landscape. Further, responses differ significantly on financial assistance when grouped according to the number of customers daily. These significant differences were found on those who have 11 to 20 customers.

This means that financial aid programs that offer grants and loans may help craftsmen invest in equipment, supplies, training, and marketing campaigns. This financial aid can help craftspeople overcome financial restraints and expand their enterprises responsibly. A report according to Datiko and Bogale (2023), study discoveries, rural people' uncertainties regarding finances, culture, and ecological preservation are supported when handicrafts are developed, planned, and managed properly for tourism-related purposes.

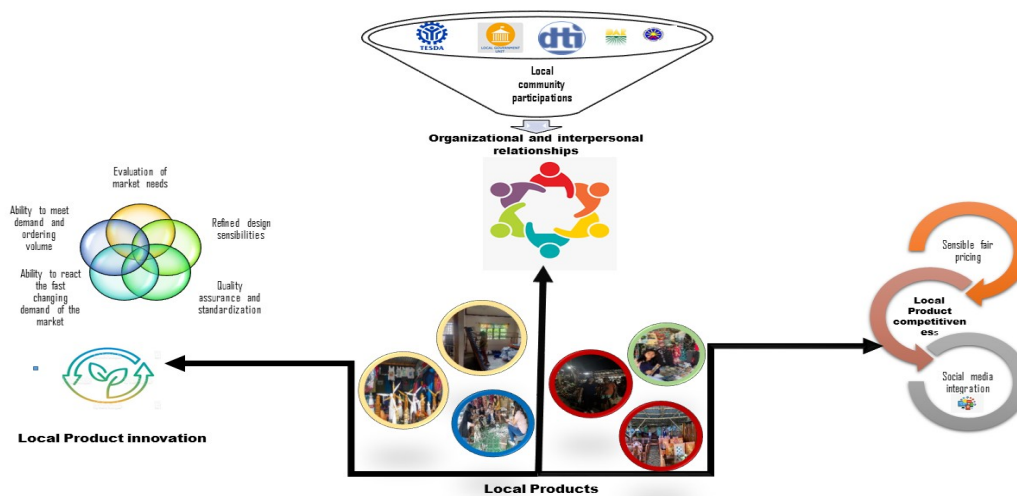


Figure 1: Local Products Development Around Ilocos Region Framework Model

The proposed conceptual framework is designed to provide an understanding of the perception of local residents in the development of handicrafts industry in the Ilocos Region in relation to product innovation, marketing strategies and the assistance programs that will be provided to the artisans aligned on the needs of improvements.

The figure represents the local products development around Ilocos Region Framework. The results show the most important aspects and characteristics of each dimension of analysis that were looked into in this proposal for a local product development framework for the Ilocos Region. The framework has been described into three: local product and innovation, local product competitiveness, and organizational and interpersonal relationships.

The framework objective is to provide the local community with an improved means of assisting this group of artisans through their organization, which is more efficient and effective. The proposal for this framework intends to create new knowledge and functionality by deriving strategies and actions from the audience for whom the model is intended. For this plan to be effective, the strategies mentioned above, and activities will need to fulfill the essential and transformative features of an artistic activity that is both sustainable and competitive.

The Department of Trade Industry, Technical Education Skills and Development Authority, Department of Agrarian Reform, and Local Government Unit will be able to focus more on the growth, organization, and development of artisanal activities and the people who participate in them. Through linkages and partnerships with the Local Governments to sponsor and assess the needed seminar and training programs that match the information and technology needs of the artisans. Because of this, it is also suggested that Craft Skills integration in Curriculum Development be added.

Handicrafts should be taught in schools from a young age to help students understand and care about them. Through this, it helps students at all levels of education learn to work together, think creatively and logically, focus, be strong-willed, have self-confidence, make good decisions, be able to express themselves, be enthusiastic, disciplined, honest, and committed to work and life and also helps this living tradition sustainable in the new era of generations. The Local Product innovation part of the framework has been made meant to help craftspeople deal with different environmental, economic, and social challenges and help them get into changing markets. This will help the artisans compete with the tourist's changing needs and preferences.

The Local product competitiveness component promotes individual and group entrepreneurship and creates

conditions that are more amenable to future market penetration. Moreover, it has the effect of encouraging additional market expansion. Through the integration of social media and to continue and improve promotional activities. The arrow denotes the connection of the three components, which is that in order to maintain, develop, and innovate products and to create competitiveness in the industry, there is a need for collaboration from the various linkages and organizations that will support, assist, and help the artisans/craftsmen to maintain the product in the new generation of today and to still maintain the living traditions of the region.

4. Conclusions and recommendations

A great percentage of the owners had been operating for 16-20 years, and most of the participants were owners. The majority of the number of customers daily is ten customers and below. The respondents had a significant level of awareness and understanding the importance of product innovation and development of local products. Regarding handicrafts, innovation is seen as both a problem and a crucial part of staying ahead of the competition from the artisans' perspective, this new idea has yet to be considered in the handicraft industry. In particular, the data show that product innovation is agreed on authentic items, excellent packaging, and high-quality handicrafts. In the evaluation of marketing strategies, the most significant factors concurred the local products are delivered through the involvement of people and physical evidence. The Ilocano artisans expressed their agreement in the inputs of assistance programs in terms of Skills Development, Marketing Assistance and Financial Assistance. It was found that those who are workers have a greater assessment of the 7ps of marketing. A framework that will guide the many different organizational activities, processes, and strategies involved in craft management was proposed based from the results of the study. This study provided recommendations for marketing the local products and give utmost support to every surviving indigenous community by promoting the Local products program, intensifying the micro, small, and medium-sized businesses/enterprises, and intensifying the intensification of the micro-enterprises. The local products manufacturer/ owner may continuously improve their products and create new designs so that they will be able to invite and attract more customers. Through collaborative workshops and brainstorming activities around materials and branding. Furthermore, may adopt new and improved technologies and innovations to increase their production and sales and return on investment. Whereas, the local products entrepreneurs/artisans may work hand in hand with the government through the Department of Trade and Industry and other agencies of government to improve and develop their crafts and conduct information about financial and non-financial assistance. The One Town One Product Association may form a cooperative to obtain a loan facility from Government Bank may assist their business operation and financial difficulties. Future researchers may conduct study that could focus on other groups, such as people who buy crafts, and supply raw materials for crafts.

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