

Lindenwood University

Digital Commons@Lindenwood University

Theses

Theses & Dissertations

Summer 6-2020

Building a Handmade Business

Jordan Khusnulgatin
Lindenwood University

Follow this and additional works at: <https://digitalcommons.lindenwood.edu/theses>



Part of the [Fashion Business Commons](#)

Recommended Citation

Khusnulgatin, Jordan, "Building a Handmade Business" (2020). *Theses*. 20.
<https://digitalcommons.lindenwood.edu/theses/20>

This Thesis is brought to you for free and open access by the Theses & Dissertations at Digital Commons@Lindenwood University. It has been accepted for inclusion in Theses by an authorized administrator of Digital Commons@Lindenwood University. For more information, please contact emacdonald@lindenwood.edu.

Lindenwood University
School of Arts, Media, and Communications

BUILDING A HANDMADE BUSINESS

by

Jordan Khusnulgatin

A Prospectus of a Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Science in Fashion Business and Entrepreneurship

Dr. Chajuana Trawick *Dr. Chajuana Trawick* 06/15/2020
Committee chair

Ameli Skoglund Blaser *Ameli Skoglund Blaser* 06/16/2020
Committee member

Randi Chervitz *RS Chervitz* 6/20/2020
Committee member

June 2020

!

Introduction/ Background Information

There are many choices you are faced with as an entrepreneur and maker – one being what you will sell. When deciding what you may sell it is important not only that you believe in what you are selling but to also establish that there is a market for what you hope to sell. Once you have decided on what it is that you want to sell you must separate yourself from the competition by defining what it is that makes your product different. By doing so you will have developed your niche and what your business as a whole will be known for. This is the foundation from which you will build. Once your foundation is laid, before anything else, you must understand why. You must understand why you have chosen this product and why you want to turn it into a business. This is the essence of your foundation, and something that stands as a root for all that stems from yourself and the business. These are what one can consider to be the most important steps when building a handmade business because it is from this that all else will depend on.

Once you have decided on your product, found your niche, and established your why you can dig into branding. Branding involves a number of things including a logo, colors, aesthetic, packaging, photography, brand story, target customer, and also yourself when it comes to being the maker of your product. You can then move into the side of business by creating a business plan which will include things such as, pricing, conducting sales, marketing, finances, and business management.

The purpose of this project is to build a small scale handmade product and business from scratch with innovative ways to incorporate sustainable practices. There are many factors that make up a business. For this project in particular, the main concern will be centered around all aspects of the product and customer experience, including finding a niche, the aesthetic, branding, packaging, pricing, sustainable practices, conducting sales, marketing, and creating a business plan. This project will follow the steps described above to discover a niche and the basis upon which this handmade business will be

derived from, providing a physical example of what a thoroughly thought out handmade business startup would look like.

Literature Review

There are many aspects that make up a handmade business. For this project in particular the focus will mainly be concerned around producing a product and building a business model for that product to be inserted into. As a handmade business, you are guaranteed to have some sort of competition in the category of your product. “An important step in becoming a successful handmade business is to identify what makes your work unique” (Pranger, 2020). Some questions to ask yourself in regards to your unique work are, “look at work similar to yours. What makes yours similar, and what makes it different? How does it compare in quality?” (Pranger, 2020). Once you’ve figured out what makes your work unique you can then claim this as your niche. “When you have a niche, marketing and sales efforts are magnified because you’ll know exactly what you are selling, and who you are selling to. You won’t spin your wheels trying to sell everything to everyone. Instead, you’ll invest your energy in selling specific products to specific people who want those products.” (Johnson, 2012).

Your niche is your foundation and from that will stem your product. This start up model will be focused on simplicity – that can and should be included in your niche and your product. Success has shown repeatedly in this model, including Eileen Fisher who launched label with a collection of “four, simple and uncluttered designs that she believed would cut through wardrobe anxiety and therefore make getting dressed much easier.” (Donnovan 60-63). Another success in product simplicity includes Briony of Bundu Textiles. Bundu Textiles creates

hand loomed caftans offered in different patterns but only one style, “Each piece is unique in its own way, hand-tailored by one of our three local tailors and seamstresses with time and care.” (Briony, 2020). Once you have established your niche through simplicity, “you can consider how you can leverage your brand to sell new products, or sell your existing product in different ways. By offering a variety of products in “sub-niches,” Tisha appeals to more people without losing focus.” (Johnson, 2012). This can be arranged in products with different price points to appeal to a customer at different budget points – without straying too far from your ideal customer.

As a handmade business your consumer is often buying handmade because they like knowing who is behind the product they are purchasing. With this in mind, this model will use the importance of branding yourself. “Handmade entrepreneurs are in the unique position of making the products they sell. This means that when a customer sees your product, whether you like it or not, they also see you. Take advantage of this by letting people experience you personally as you market your products.” (Johnson, 2012).

Yourself and the product as a handmade business go hand in hand when it comes to the overall image and branding. “As your business grows, you will find more people wanting to identify with more than just your products. Your repeat customers will start talking about you and your products, and in some ways, the two will merge into a single brand.” (Johnson, 2012). Branding brings about a certain aesthetic and feel to your business that goes beyond just the product. It is how people see you, the way you package your product, the way you photograph

your product, and so on. “A brand is an emotion connection repeated overtime.” (Megan, 4AD).

Branding plays an important role when it comes to pricing. “The stronger your brand, the more you can charge for the work you make. And the more you can charge, the freer you are to create more of your best work.” (Megan, 2016). You can convey a message when it comes to branding, and this can include how expensive or inexpensive your products are. “Everything in my trade show booth is meant to tell you that I am not a bargain brand. The walls, the paint color, the custom display fixtures, the way I display the work itself, what I wear, and how I style myself. Before someone even walks into my booth, they know that I’m not cheap.” (Megan, 2016). It’s one thing to sell cheap items but underpricing your work can be detrimental to the success of your business. “Unfortunately, many business owners simply don’t realize that pricing is, in fact, the most vital component when it comes to making money. Price your items poorly, and you’re leaving money on the table. Price your items well, and you’ll beat out your competition without diminishing the perceived quality of your brand.” (King, 2018). The product of this business model upon which this project is based is one that intends to produce something carefully crafted and of high quality, therefore should be reflected in the price. “Most of us start off selling our work from a hobby perspective. We have no idea what price we should be selling our work for, so we tend to drastically underprice it. We know how to make it, so we tend to underestimate the skill that has gone into the process. *DO NOT TRY TO COMPETE ON PRICE*. There will ALWAYS be someone selling something similar to what you make for much less than you. Even other talented crafters and artisans.” (Jess, n.d.).

Something that should not be overlooked when it comes to the success of a handmade business is your why. Business has ups and downs you may have an idea that may drift you far from where you started. To avoid any confusion or possibility of giving up it is imperative to have a clearly defined why written down for yourself to look back on. This lays out a foundation to ensure you never stray too far from the core of your brand – after all consistency is what we are looking for here. “Your WHY is what sets you apart from everyone else. It’s your purpose. It’s what inspires you to take action. Your WHY is also what inspires *others* to take action, spread your ideas, or buy your products.” (Bokhari, 2019). When constructing your why statement it should be simple and clean, actionable, focused on how you will contribute to others, and expressed affirmative language that resonates with you (Bokhari, 2019). The most important aspect of your why is that, “It should also be “evergreen,” meaning that it should be applicable to everything you do, both personally and professionally—without separation.” (Bokhari, 2019).

To ensure consistency within the business along with your why the business itself should have a set of standards to be applied to all aspects of this business. One of these that every business needs to take into consideration is sustainability. “To you the consumer, sustainability means being consciously aware of each purchase you make and taking the time to know how a piece of jewelry is made and supporting brands which observe and respect proper practices and ethical standards.” (Tilley, 2019). There is a growing awareness in the area of sustainability which means a shift in customer buying habits. It is imperative for not only the environment but the survival of your business as well. “According to research even back in 2014 by Ipsos Mori, over 80% of consumers said that a retailer’s ethical standards mattered to them and

more than a third said they would be willing to pay more for products with higher ethical standards.” (Tilley, 2019). For a business to become sustainable, “This means that designers and manufacturers, need to be sourcing materials and making production in a manner that has the minimum possible damaging impact on our environment and the communities involved in its production.” (Tilley, 2019). At the very least a business should have an ethics/sustainability policy, observe the Kimberly Process protocol, practice recycling and repurposing, and be aware of where their materials originate from (Tilley, 2019).

Some innovative ways to become more sustainable within your business are to minimize your packaging and making sure your packaging is either biodegradable or recyclable. Whilst making your products from eco-friendly materials is great, another route is to use recycled materials. Sustainability is at the core of Eileen Fisher’s brand where the “goal is to create a totally circular design system whereby all Eileen Fisher mainline garments will be made from the company’s old clothes.” (Donnovan, n.d.).

If we apply these methods, in all here creating a small handmade business goes far beyond the product itself. While it is making a product for people to buy it is also creating an experience that stands for something, “Not only are you selling a product, you’re selling a brand, a feeling, an experience.” (Engelmajer, 2019). Being an online business makes it more difficult to organically create that experience. Part of creating that experience in this aspect comes through in the packaging. “Your product's packaging is meant to communicate a purpose: what your brand stands for and what it means for your customer. Don't miss this opportunity to create a lasting impression on the shelf and in the minds of your customers.”

(Coran, 2014). Physical presence provides something that virtual shopping cannot provide, “Not only is your packaging the only part of your brand that reaches 100% of its customers, but it’s also the first time that your customers are physically in contact with your brand.” (Forbes, 2020). Packaging is your moment to stand out and create a repeat customer, “In a competitive marketplace, packaging is so much more than just placing your product in a box — it’s an opportunity to “wow” your customer! Make opening your package an **experience**. Showing your customers that you went the extra mile will make a great impression.” (Church, 2018). In short packaging is part of your business’s voice and should be used as a way to communicate to your customer.

The other voice you have as an online handmade business is through social media, more specifically Instagram. Instagram is a visual lifestyle app where, “People come to the app to be entertained, inspired and motivated, not to shop.” (Engelmajer, 2020). It is important that your photographs are not just product shots, “Instagram isn’t a shopping app – so don’t make your profile look like a catalog where all I can see are your products on white background.” (Engelmajer, 2020). Although it’s not a shopping app it’s a trail to your next sale, “Instead of selling people your product, sell them the lifestyle AROUND your products. Selling on Instagram comes from making real connections with users on the platform, making them feel connected to your brand, so you need to make your feed look less like a catalog and more like a magazine.” Instagram ties in completely with your branding, by glancing at your Instagram feed people have an idea of not only what you sell, but also what your business is about and what type of person it is for.

What we are seeing here is that a handmade business is not just simply a product. A handmade business is something that has an ability to speak and to create a feeling within each person that it touches. It is something unique and should be treated in such a way. The most important aspect that needs to be established before anything else is the core identity. “Every brand is built upon a core foundation: a reason the brand was created, a larger mission. Understanding your core identity is crucial if you want to successfully communicate who you are, what you do, and what you believe in—and, trust me, you do want to communicate these things.” (Ritchie, 2018). Everything stems from the core identity or the foundation so it must be solidified and firm or the rest will come crumbling down.

References

Bokhari, D., & @DeanBokhari, D. B. F. (2019, September 20). Find Your Why: How to Draft a Why Statement. Retrieved from <https://www.deanbokhari.com/find-your-why/>

Bone, E. (2016). *Silversmithing for jewellery makers techniques , treatments & applications for inspirational design*. Kent: Search Press.

Briony (2020). about. (n.d.). Retrieved from <https://bundutextiles.com/pages/about>

Chien, W. (2019). *The year of knots*. New York: Abrams.

Conran, J. (2014, September 22). Why Your Product's Packaging Is as Important as the Product Itself. Retrieved from <https://www.inc.com/joshua-conran/why-your-product-s-packaging-is-as-important-as-the-product-itself.html>

Church, T. (2018, April 12). The Importance of Packaging & Branding in Marketing. Retrieved from https://medium.com/@anthebranding_boulder/the-importance-of-packaging-branding-in-marketing-1dfdb8a57440

Dolan, R. (n.d.). Get your FOOT in the DOOR: How to forge new retail relationships . *Handmade Business* , 44(510), 24–25.

Donnovan, N. (n.d.). Waste No More. *Selvedge*, (93), 60–63.

Engelmajor, D. (n.d.). Deborah Engelmajor. Retrieved from https://www.youtube.com/channel/UCIjZGb-JlfZuUzggOclx_Mg/about

Engelmajor, D. (2019, June 16). A Guide to Packaging Handmade Products. Retrieved from <https://tizzit.co/guide-packaging-handmade-products/>

Engelmajor, D. (2020, May 22). The 3 keys to grow your handmade shop's Instagram from scratch. Retrieved from <https://tizzit.co/the-3-keys-to-grow-your-shops-instagram/>

Jess. (n.d.). 10 Things you MUST Do to Have a Successful Online Craft Business. Retrieved from <https://www.createandthrive.com/10-things-you-must-do-to-have-a-successful-online-craft-business>

Johnson, D. (2012). 10 Essentials For Handmade Business Success. Retrieved from <https://smallbiztrends.com/2012/12/10-essentials-for-handmade-business-success.html>

Jung, C. (n.d.). Turquoise Rising . *Native Peoples Magazine*, 28(4), 128–130.

Kate, Annette, Davis, S., Zuraw, Z., Hallmark, V., Elora, ... Megan. (2016, June 20). when it comes to price, context is everything. Retrieved from <https://designinganmba.com/2013/02/28/latte-brand/>

King, S. (n.d.). The Importance of Pricing for the Profitability of Your Business. Retrieved from <https://www.growthforce.com/blog/the-importance-of-pricing-for-the-profitability-of-your-business>

Lots of Knots Canada. (n.d.). Retrieved from <https://www.youtube.com/channel/UCljc3McSyWGtKjFiz439AWg>

Megan. (4AD). HOW I EVOLVED MY WORK AND MY AESTHETIC WHILE STAYING TRUE TO MY BRAND. Retrieved from <https://designinganmba.com/author/megan/>

Forbes, P. (2020, January 24). 11 reasons why good product packaging can make a difference to your handmade business. Retrieved from <https://blog.folksy.com/2019/01/22/11-reasons-why-good-product-packaging-matters>

Ritchie, J. (2018, July 30). Why Your Brand Is More Than Just a Visual Identity. Retrieved from <https://business.linkedin.com/marketing-solutions/blog/linkedin-b2b-marketing/2018/why-your-brand-is-more-than-just-a-visual-identity>

Shaffer, L. A. (n.d.). Competing in a Saturated Market: How to stand out and find your customer in an over-competitive market. *Handmade Business* , 45(516), 10–11.

Sharayah, P. (2020, June 8). How to Monetize Your Creativity (Without Selling Your Soul). Retrieved from <https://tizzit.co/how-to-monetize-your-creativity/>

Silvera, J. (2010). *Soldering made simple: easy techniques for the kitchen-table jeweler*. Waukesha, WI: Kalmbach Books.

Thomas-Radclyffe, N., Varley, R., & Roncha, A. (n.d.). Balancing the books: Creating a model of responsible fashion business education . *Art, Design & Communication in Higher Education* , 17(1), 89–106.

Tilley, F. (2019, September 30). Sustainable Jewelry and the Jewelry Industry. Retrieved from <https://gurhan.com/blogs/tales-truths-transparency/sustainable-jewelry-jewelry-industry>

Turquoise Meaning and How to Wear it According to Your Mood. (n.d.). Retrieved from <https://toqos.com/blogs/turquoise-blog/turquoise-meaning-and-how-to-wear-it-according-to-your-mood>

Research Methodology

The research conducted for this project will be done so in a mixed method manor. Part of the research for this project will explore different opinions in the areas of handmade business that includes the product and customer experience, finding a niche, the aesthetic, branding, packaging, pricing, sustainable practices, conducting sales, marketing, and creating a business plan. The goal of this research is to be able gain an understanding of what aspects of a handmade business are important and also how others have succeeded in creating a profitable handmade business.

As far as the product goes - this is the place for innovation to ensure the business is not reproducing something that already exists in numerous quantities. To do so a survey will be conducted to find what the consumer would like to see change in the proposed category of the chosen product. Within the product itself, I will use formal analysis as the initial concern around the products durability, quality, fit and function to set a foundation for proceeding products to be built upon. I will then use the method of psychoanalysis to fully understand and mark the consumer I am interested in selling my product to as well as understanding their buying habits. From the information gathered the goal is then to produce a unique product and plan for a handmade business.

Timeline

The goal of my project is to build a handmade business from scratch. My main concern at the moment is wrapped around the product. I am still at a deciding point of what it is that I would like to sell. I have narrowed it down to three categories including, home décor (specifically fiber wall hangings), silver and turquoise stone jewelry, and linen apparel. I am spending this semester on creating three mini collections in each category to help move along my decision. By making each item I should have a better idea of what I am best at, what I enjoy the most, what is the most cost effective and what I believe is worth selling. After this semester I would hope to have made up my mind as to which product I plan to move forward with and draft my handmade business from that. From there, I plan to first lay out my foundation which involves creating my why statement, a brand story, mood board, color story, customer profile, and logo. Once I feel this is complete I will conduct a survey, based on the product I have

chosen to move forward with, for my target market to answer about the product itself. I will then design a full collection based upon the answers provided to debut this handmade business. Following the design and production of the full collection I plan to also design the packaging, hang tags, etc. Finally, I will draft a business plan to conclude the full workup of this handmade business.

