The Artisan and His Audience:
Identification with Work and Price-Setting in a Handicraft Cluster in Southern India

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Abstract

Using ethnographic, experimental and survey data from an Indian handicraft cluster, this paper studies the conditions under which individuals who identify with their work prioritize financial rewards in their economic decisions. I argue that the monetary value that individuals who identify with their work seek for their work output depends on their audience. In particular, when these individuals encounter discerning audiences, who are knowledgeable about and appreciative of their work, they underemphasize financial gains; transactions with non-discerning audiences, however, result in a focus on monetary rewards. I argue that the mechanism underlying this behavior is work-product attachment, where individuals who identify with their work can develop affection for the output of their labor, and in turn, desire audiences who will take care of their work-products beyond the point of sale. By investigating how artisans identifying with their work set prices for their handmade products to different audiences, this paper contributes to our understanding of economic decision-making in the context of meaningful work by highlighting the moderating role of audiences and uncovering the mechanism of work-product attachment underlying these decisions.

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**Introduction**

Work is a central part of economic, cultural and social life (Smith, 1863; Marx, 1891; Weber, 1930; Hughes, 1981). In addition to being an essential activity, for individuals in a variety of jobs and contexts, work is also a key source of enjoyment, fulfillment and self-realization (Bellah et al., 1985; Erikson and Vallas, 1990; Adler, 1993; Wrzesniewski et al., 1997). Such fulfillment through work is posited to develop in concert with doing one’s work and deeply engaging with one’s work tasks, ultimately making work pleasurable and intrinsically valuable (Pratt et al., 2013; Wrzesniewski and Dutton, 2001). Management and sociology scholars have variously referred to this notion of work being an end in itself as identification with work (Ryan and Deci, 2000; Deci and Ryan, 1985) meaningfulness of work (Pratt and Ashforth, 2003; Rosso et al., 2010), a calling orientation to work (Bunderson and Thompson, 2009; Hall and Chandler, 2005) and unalienated labor (Marx, 1891; Braverman, 1974). In this paper, for the sake of clarity and consistency, I use the term “identification with work” to refer to the idea of work being a labor of love.

Prior research has documented that individuals who identify with their work make a number of distinct work-related decisions. For example, these individuals pay inordinate attention to the “aesthetics” of style and appearance (Fine, 1992), have self-set standards of excellence that drive them to perform their best at all times (Faulkner, 1971) and voluntarily work long hours (Hackman and Oldham, 1980; Wrzesniewski et al., 1997). But most work is ultimately sold for a wage or price and arguably one of the most important decisions that workers have to make is that of deciding a monetary value for the output of their labor. However, we have mixed evidence on how individuals who identify with their work monetize their work output. Some scholars have argued that when individuals identify with their work, they are intrinsically motivated and care less about extrinsic or material rewards (Scott Morton and Podolny, 2002; Mollick, 2012; Velthuis, 2005; Wherry, 2008). Under this perspective, identification with work results in individuals working for lower wages or accepting lower prices for their work, as long as they can continue performing the work that they love doing (Bunderson and Thompson, 2009; Stern, 2004). While this view has received much support in the literature, some other scholars have argued that even individuals who are attached to their work are ultimately motivated by monetary concerns, where their economic needs
keep a check on their creative impulses (Bourdieu, 1993; Eikhof and Haunschild, 2007; Brief et al., 1997, 1995; Vohs et al., 2006). These scholars have argued that while identification with work has important consequences for work behavior, its ultimate impact on economic decisions could be small (Rosso et al., 2010; Brief and Nord, 1990). This points to an important debate in the literature on whether individuals who identify with their work prioritize financial gains in setting a wage or price for their work. Given that over 40% of workers in the global economy are employed in the “creative class” of occupations where they experience some identification with their work (Florida, 2002), it is crucial to resolve this debate in order to better understand the economic implications of individuals’ relationships with their work and thereby advance our understanding of how markets with such workers function.

As a way of beginning to adjudicate this debate, in this paper, I study how a group of workers who strongly identify with their work set prices for the output of their labor. I find that in some situations, these workers who identify with their work set prices far below the market rate or the rate that they could feasibly charge for their products but in some other situations, these same workers set very competitive prices for the same products. This key observation suggests that instead of debating whether workers who identify with their work pay attention to financial rewards in monetizing their work output, a more appropriate question might be: under what conditions do individuals who identify with their work pay attention to monetary gains and why?

In this paper, I offer a new lens that helps make progress on this question. Building on scholarship in cultural production (Becker, 1951; Faulkner, 1983; Fine, 1985; Bourdieu, 1993), I argue that individuals who identify with their work set prices for their work output in accordance with the audience consuming their work. All work is ultimately performed for an audience, but the existing literature has mostly studied individuals’ relationship with their work and their workplace behavior divorced from consideration of this audience. In particular, I posit that for workers who identify with their work, the level of discernment of their audience is a key factor that moderates the salience of financial gains. I hypothesize that when individuals who identify with their work encounter discerning audiences, namely audiences that are knowledgeable about and appreciative of their work, they will de-emphasize financial gains and set below-market prices but when the same individuals encounter non-
discerning audiences who are otherwise similar, they will seek to maximize financial gains from their economic transactions.

In addition, I propose a novel mechanism for why individuals who identify with their work care about their audiences’ level of discernment in monetizing their work. I argue that individuals who identify with their work can develop love and affection for the output of their labor, what I call *work-product attachment*, when they invest in their work-products. In these situations, workers care about the welfare of their work-products beyond the point of sale and desire a good home for their “babies” and as such, they vary their prices in accordance with the audience consuming their work. In particular, they want their work-products to be handed over to discerning audiences who will appreciate, respect and take care of their products and therefore, they pay less attention to financial gains in setting prices for these audiences. On the contrary, when transacting with non-discerning audiences, these individuals do not expect their work-products to be taken care of and they seek to maximize their financial gains instead.

The empirical evidence for this paper comes from a handicraft cluster in southern India called Channapatna that specializes in producing wood and lacquerware products. Artisans in Channapatna, who independently design, produce and sell handmade cultural products like jewelry and dolls, identify strongly with their work but these artisans are also poor with limited savings or alternative sources of income. In this setting, I study how artisans set prices for their products to different audiences. I additionally compare the price-setting behavior of artisans to another group of sellers in this setting, called traders, who sell the same handmade products without being involved in the creative production process. The traders provide a useful counterfactual to the artisans because they have a more means-to-end relationship with their work and their products, allowing me to observe what market pricing behavior in this setting looks like.

The paper is organized around the full-cycle research model (Fine and Elsbach, 2000; Kaplan, 2014), which mirrors the research process that I followed. First, I conducted eight months of ethnographic fieldwork, which revealed that artisans have very high levels of identification with their work as indicated by their 1) deification of their work, 2) willingness to make personal sacrifices for the sake of their work and 3) internal quality standards. The fieldwork additionally highlighted that artisans invested differentially in their work-products and varied
in their attachment to their respective products. Second, in order to test whether audience
discernment affects the price-setting behavior of artisans who identify with their work, I
conducted a field experiment where trained auditors differing in their displayed level of
discernment purchased the same handicraft products from a group of artisans and traders,
generating detailed pricing data on over 450 sales transactions. I found that artisans charged
significantly below-market prices to the experimentally-manipulated discerning categories
of auditors, but the same artisans charged the experimentally-manipulated non-discerning
categories of auditors much higher prices in line with the prices charged by traders. Finally,
in order to test if work-product attachment underlies artisans’ pricing pattern, I conducted
two rounds of surveys with the artisans and traders in my experiment. Using two measures of
work-product attachment, 1) work-process involvement and 2) level of creative engagement,
I found that when artisans participated in more stages of the production process or engaged
in more creative work, they gave greater discounts to the discerning auditors and charged
higher prices to the non-discerning auditors.

In what follows, I first review the relevant literature and describe my research setting and
design. I then present my ethnographic data followed by my experimental results, and finally,
my survey findings. I end by discussing the implications of this research. In particular, I
argue that this paper contributes to our understanding of economic decision-making in the
context of meaningful work by highlighting the moderating role of audiences and uncovering
the mechanism of work-product attachment underlying these decisions.

How do Individuals who Identify with their Work Set
Prices for their Work-Products?

Implications of Identification with Work

Research describing identification with work can be traced back to Marx’s theory of labor
where self-actualization through one’s work was deemed to be a major factor distinguishing
work as a non-routine endeavor from labor as a routine and alienating activity (Marx, 1891;
Elster, 1985). “Identification with work” is theorized as representing an individual’s own
volitional desire to creatively apply themselves and their skills towards completing a partic-
ular task from start to finish leading to a unique form of satisfaction (Deci and Ryan, 1985; Ryan and Deci, 2000). Such identification with work is thought to develop in concert with doing one’s work, ultimately making work pleasurable, intrinsically valuable and worth doing well for its own sake (Adler, 1993; Rosso et al., 2010; Pratt et al., 2013). Recent scholars have demonstrated that workers in a variety of jobs and contexts like artists and artisans (Velthuis, 2005; Wherry, 2008), cooks (Fine, 1996), scientists (Stern, 2004) and zookeepers (Bunderson and Thompson, 2009) can experience identification with their work.

Scholars have further documented that when individuals identify with their work, they display distinct work-related attitudes and behaviors. For example, studio musicians have self-set standards of excellence that drive them to “play their [technical] best all the time” (Faulkner, 1971). Similarly, cooks are critical of grapes with “bad lines” because they believe that grapes need to be bunched in a perfectly pyramidal shape in order to be acceptable (Fine, 1992). Additionally, workers who identify with their work are also seen to be more motivated in their job (Amabile et al., 1994), have lower levels of absenteeism (Wrzesniewski et al., 1997), greater identification with their occupation (Bunderson and Thompson, 2009), better performance (Hall and Chandler, 2005) and higher levels of work, life and health satisfaction (Dobrow, 2006). While existing research has extensively documented the distinctiveness of identification with work and the impact of meaningful work on work-related decisions, the economic implications of this identification with work remains an open question. In particular, empirical research on the relationship between deep connections with work and market behavior offer conflicting observations.

Some hints from diverse fields suggest that when individuals identify with their work, they care less about material rewards and work for lower wages or accept lower prices for their work, as long as they can continue performing the work they love doing. For example, scientists are so attached to the process of developing original research that they often choose to work for lower-paying firms that will allow them to pursue and publish their independent research. Like scientists, hobbyist wine entrepreneurs in California care so deeply about their wine production process that they pay more to hire winemakers with a French accent, without any expectation of increased quality or earnings from this investment (Scott Morton and Podolny, 2002). Similarly, zookeepers identify so intensely with animal keeping that they work for “$9 an hour” at a job that is physically demanding and dangerous, even though
they could earn more at other jobs (Bunderson and Thompson, 2009).

However, other scholars have argued that individuals who identify with their work ultimately pursue monetary rewards (Rosso et al., 2010; Brief and Nord, 1990; Brief et al., 1997, 1995); these scholars argue that work is an economic necessity and that monetary concerns supersede all others and crowd out creative impulses (Bourdieu, 1993; Frey, 1997; Freidson, 1990). For example, visual artists, like most other workers, decide whether or not to continue to work in their chosen field according to their income and the stream of their expected earnings (Menger, 1999). Similarly, actors consciously prioritize the allocation of their creative resources to films over theater productions because there is more money in the movies (Eikhof and Haunschild, 2007). This points to an important debate in the literature on whether individuals who identify with their work prioritize financial gains in setting a wage or price for their work. Given that individuals in a variety of jobs and contexts experience identification with their work, it is crucial to resolve this debate in order to better understand the economic implications of individuals’ relationships with their work and thereby advance our understanding of how markets with such workers function.

In this paper, I study a group of cultural producers who strongly identify with their work and observe how they set prices for the output of their labor. I find that in some situations, these workers set prices far below the market rate but in some other situations, these same workers set very competitive prices for their products. This key observation suggests a need to shift the debate from whether workers who identify with their work are motivated by financial rewards in putting a price tag on their work to identifying the conditions under which individuals who identify with their work pay attention to monetary gains in setting prices and why? In order to make progress on this question, I turn to the literature on cultural production that studies creative workers who identify strongly with their work and these workers’ decision to “go commercial” by catering to a mass audience.

The Role of the Audience in Cultural Production

The most distressing problem in the career of the average musician is the necessity of choosing between conventional success and his artistic standards. (Becker, 1951)
Scholars of cultural production have shown that in a variety of creative markets, producers have to choose between pursuing “artistic” success that allows them to stay true to their aesthetic standards, on the one hand, versus compromising on their internal standards and pursuing “commercial” success on the other (Becker, 1951; Fine, 1985; Caves, 2000; Bourdieu, 1993). For example, musicians are classified into “jazz” versus “commercial” musicians (Becker, 1951; Leonard, 1962; Phillips, 2011), where jazz musicians play only what “they think is worth playing” while commercial musicians play whatever is popular at the time. Similarly, in the market for films, a distinction is drawn between independent or art-house filmmakers versus major or Hollywood filmmakers (Baker and Faulkner, 1991; Faulkner and Anderson, 1987) and in the market for visual arts, fine artists are distinguished from commercial artists (Becker and Strauss, 1956; Becker, 1978).

What fundamentally distinguishes these opposing “commercial” and “non-commercial” circuits within a given market is the type of audience being served (Velthuis, 2005; Wherry, 2008; Zelizer, 2005). The commercial circuit caters to the demands of the “non-discerning” masses whereas the non-commercial or artistic circuit caters to “discerning” experts, fellow-artists, critics and other connoisseurs (Bourdieu, 1993; Caves, 2000). The non-discerning audience, also called “squares” (Becker, 1951) or “tryos” (Caves, 2000), is understood as being relatively ignorant and lacking in knowledge or understanding of the cultural activity. Its members are known to react to the final product rather than the technical skill that produces it (Caves, 2000). In contrast, the discerning audience, also called “buffs” (Caves, 2000) or “connoisseurs” (Bourdieu, 1993) is understood as having extensive knowledge of the cultural activity and likely possessing some training or experience in it. This audience is known to pay close attention to how the cultural product is assembled, including the technique displayed in the execution of the particular solution (Caves, 2000). Innovation and novelty is also cherished among this audience (Faulkner, 1983). This distinction between catering to a general “non-discerning” audience versus a more specialized “discerning” audience is likely to be salient to creative producers because the audience acts as an evaluative mirror through which the producer confirms a creative definition of themselves (Sanders, 1974; Rosenberg and Fliegel, 1970; Faulkner, 1978).

Prior research has not only documented cultural producers’ assessments of different audiences but also their preference for discerning audiences over non-discerning audiences. For example,
music composers enjoy working with filmmakers who are “highly knowledgable about music” because such clients offer the composer autonomy in their work relations and plenty of room to experiment (Faulkner, 1983) and similarly, craftspeople love buyers who see their pottery as a work of art instead of as a commodity (Wherry, 2008). On the flip side, tattoo artists dislike working with clients who cannot appreciate “highly detailed, intelligently colored, very exciting pieces [of tattoo art]” (Sanders and Vail, 2009) and similarly, cooks resent audiences that do not share their aesthetic standards of quality and competence and send back their “perfectly cooked dishes for more work” (Fine, 1992). Despite cultural producers’ preference for discerning audiences, however, they often cater to the wider, “non-discerning” audience because this path offers substantial rewards in terms of steady work and higher income. Producers in a variety of fields assert that attracting a clientele can be challenging and “if you want to make any money, you gotta please the squares [non-discerning audience]...because they’re the ones that pay the bills” (Becker, 1951; Faulkner, 1983).

In summary, the literature on cultural production lays out two alternative circuits for cultural producers - a) going commercial and making a substantial income by catering to non-discerning audiences or b) pursuing artistic success by catering to discerning audiences and focusing less on financial gains. Further, the literature also suggests that most cultural producers often have to pick one audience in order to maintain a consistent public identity and be successful in their careers (Zuckerman et al., 2003): “jazz” musicians rarely become “commercial” musicians and vice versa (Becker, 1951). While the necessity of picking one audience rings true in performance-based cultural markets like among filmmakers and musicians, in some other cultural markets like among craftspeople (Wherry, 2008), and in a wide variety of non-cultural markets where workers identify with their work, like among hairdressers (Schroder, 1978) and freelance computer programmers (Mollick, 2012), workers often encounter both discerning and non-discerning audiences. The existing literature on identification with work has paid less attention to such situations where workers encounter a variety of audiences, often one-to-one, in the course of their work life and have the opportunity to modify their behavior to the specific audience at hand.

In this paper, I argue that when individuals who identify with their work encounter both discerning and non-discerning audiences, instead of choosing whether to “go commercial” or not, individuals can behave “commercially” in some transactions and “non-commercially”
in others. In other words, I argue that the level of discernment of a worker’s audience in a given transaction moderates how salient financial gains will be for the worker in that transaction. In particular, that when individuals who identify with their work encounter discerning audiences, they will care less about financial rewards but when the same individuals encounter non-discerning audiences, they will try to maximize their financial rewards from the transaction. Therefore, in response to the original question of under what conditions individuals who identify with their work will pay attention to monetary gains in setting prices, I hypothesize that:

**Hypothesis 1a:** When workers who identify with their work encounter discerning audiences, they will charge below-market prices.

**Hypothesis 1b:** When workers who identify with their work encounter non-discerning audiences, they will charge market prices.

While this section illustrates the important moderating role of audiences for economic decision-making, one question remains: *why* do individuals who identify with their work care about transacting with discerning audiences and consequently, charge these audiences below-market prices? In order to answer this question and probe further into the mechanism underlying the pricing behavior of individuals who identify with their work, I draw on the literature on consumer product attachment.

### Product Attachment

Scholars of consumer behavior have argued that consumers can become attached to the products that they own - products can take on emotional significance and carry a plethora of meanings for consumers independent of the products’ market value (Belk, 1988; Wallendorf and Arnould, 1988; Ball and Tasaki, 1992). Researchers call this idea, “consumer-product attachment,” defining it as the strength of the emotional bond a consumer experiences with a product (Schifferstein and Zwartkruis-Pelgrim, 2008; Csikszentmihalyi and Halton, 1981; Halle, 1996; Kahneman et al., 1990). The longer and more involved a consumer’s relationship with their product, the greater the emotional bond. Scholars have further shown that a person’s attachment to an object is reflected in specific thoughts, affect and behavior towards this object (Kleine and Baker, 2004). When a person becomes attached to an object,
he or she is more likely to handle the object with care, repair it when it breaks down, and postpone its replacement for as long as possible (Mugge et al., 2006, 2010). Indeed, when a person feels emotionally attached to a possession, the product may even be regarded as part of their self: what is ‘mine’ becomes ‘me’ (Belk, 1988). For example, when a person is attached to their home, a piece of furniture, article of clothing, and so on, these items can become a part of their own identity (Ball and Tasaki, 1992).

Just like consumers can become attached to the products that they own, it is reasonable to expect that workers can similarly become attached to their work-products. In this paper, I called this idea “work-product attachment” and define it similarly to consumer-product attachment as a worker’s emotional association with the products that they work on, accompanied by affective behavior towards these products. Individuals can become attached to their work-products under a variety of conditions, but one important condition is when they identify with their work and are involved in producing these products.\(^1\) Involvement in the production process results in the development of love and affection for the output of one’s labor, which manifests in viewing one’s work-products as an extension of oneself, not as mere objects but as subjects worthy of love and care. The more workers invest in their work-products, the greater their attachment to their products.

I further argue that consideration of this work-product attachment can explain why individuals who identify with their work might charge below-market prices to discerning audiences and make no similar accommodations when transacting with non-discerning audiences. I argue that when individuals who identify with their work are also attached to their work-products, they care about the welfare of their work-products even beyond the point of sale, and want to find a good home for their “babies.” Because these individuals are psychologically invested in their creations, having built a prolonged relationship with them, they care about the identity of the receiver to whom their creative product is handed over. In particular, they want their work-products to be handed over to discerning audiences who will appreciate, respect and take care of their products. Therefore, when they encounter such a discerning buyer, they pay less attention to financial gains and charge a below-market price to increase the likelihood of the transaction with the discerning buyer materializing. In contrast, when these individuals encounter non-discerning audiences, they recognize that

\(^1\)Other conditions that give rise to work-product attachment could be explored in future research.
their products will probably not be well taken care of beyond the point of sale and they focus on maximizing their material rewards instead. I further argue that this pricing pattern is magnified when workers are more invested and attached to their products, suggesting that the mechanism underlying artisans’ prices to different audiences is indeed work-product attachment. In line with this, I hypothesize that:

**Hypothesis 2:** When individuals who identify with their work have more work-product attachment, they will offer greater discounts to discerning audiences and charge even higher prices to non-discerning audiences.

Having outlined the main hypotheses for this paper, I describe the “full-cycle research” model (Fine and Elsbach, 2000), which mirrors the research process that I followed to test these hypotheses.

## Full-Cycle Research

The full cycle research model combines multiple methodologies in a cyclical manner in order to enhance the generality and conceptual underpinnings of the phenomenon being studied (Fine and Elsbach, 2000; Cialdini, 1980). It begins with (a) ethnographic observation of social phenomena to identify naturally occurring puzzles and theorize about the causes of the puzzle, followed by (b) experimental tests of the theory, and finally (c) further field data collection to enhance understanding of the experimental results (Chatman and Flynn, 2005). The initial qualitative data accurately and richly describe real-world issues that are worth studying and generate theory close to the “field” or immediate experiences of informants, while the experimental data identify simple, generalizable causal relationships (Sutton, 1997; Edmondson and McManus, 2007; Kaplan, 2014). The subsequent field data probe deeper into the findings from the experimentation and investigate mechanisms underlying the causal relationships (Ashford et al., 2007; Grant et al., 2014). This cyclical use of diverse methods, both inductive and deductive, in a single research program allows each method to complement the other and offers richer insights than using any single method (Glynn and Raffaelli, 2010; Bernstein, 2012; Lee and Battilana, 2014).

Mirroring this process, I first conducted an eight month ethnography of handicraft artisans in Channapatna who identify strongly with their work, distinguishing artisans from traders
who displayed competitive market behavior. I then tested how artisans and traders set prices for their products to different audiences using a field experiment where trained auditors purchased the same products from both the groups. I finally conducted surveys to investigate the mechanism underlying the pricing results.

Setting: Channapatna Craft Cluster

The setting for this study was the wood and lacquerware craft cluster of Channapatna in southern India. Channapatna has a three-hundred year long tradition of “organic” wood and lacquerware handicraft production using naturally-grown wood and vegetable dyes. About 10% of Channapatna’s 60,000 inhabitants are directly or indirectly involved in the handicraft trade. Common items produced in Channapatna include toys like wooden horses, spinning tops and dolls, household objects such as napkin rings, candle holders and pen stands, and jewelry such as necklaces, earrings and bangles.

There are two kinds of sellers in Channapatna’s craft market: artisans and traders. Artisans produce exquisite wood and lacquerware products themselves and sell these handmade products locally from their worksheds. Traders source the same products from artisans and sell them locally as well as in wider markets through retail establishments without being involved in the production process. Both artisans and traders are typically male, married, literate, usually in their mid-forties, belong to what are designated in India as backward castes, have families of about five or six people, have similar levels of market exposure and have been practicing their occupation for about twenty years each, having inherited it from their family. However, traders are slightly more educated as compared to artisans, are more likely to be Hindu rather than Muslim and make about $160/month as compared to artisans who make $70/month. These data are summarized in Table 1.

<table>
<thead>
<tr>
<th></th>
<th>Artisans</th>
<th>Traders</th>
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</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>Male</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Married</td>
<td>Married</td>
</tr>
<tr>
<td>Literacy</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Occupation Duration</td>
<td>20 years</td>
<td>20 years</td>
</tr>
<tr>
<td>Monthly Income</td>
<td>$70</td>
<td>$160</td>
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</tbody>
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Channapatna was an ideal setting to study how individuals who identify with their work make economic decisions and how audiences characteristics influence these decisions for four

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2This includes Scheduled Castes (SC), Scheduled Tribes (ST) and Other Backward Castes (OBC) as defined by the Indian Constitution.
reasons. First, artisans in Channapatna identify strongly with their work. Second, Channapatna receives an eclectic mix of tourist audiences, being a remote market located on a highway between two large cities (Bangalore and Mysore). Third, the sales transactions are typical of those in the informal economy where prices vary across different audiences and are set by bargaining, offering observable and measurable variation in an important economic decision for artisans. Finally, the setting rules out long-run reputational considerations from the price-setting process because relationships between buyers and sellers in Channapatna are one-time, products are not branded or signed, sellers operate independently and there is no audience for any given sale. The next section describes the production and selling process in more detail.

Production and Sale of Artisanal Products

Artisans in Channapatna are united by their craft heritage of carving and coloring wood to produce a wide range of products, balancing traditional knowledge and designs with individual voice and creative expression. Each product is individually produced on a motorized lathe, a device on which a block of wood is turned as an artisan works on it. In addition to the lathe, an artisan uses a gamut of hand-held chisels. An artisan first crafts the block of wood into the desired shape on the lathe much like a potter does clay on a wheel. Once a piece of wood has been carved into the desired shape, artisans sand the wood and then apply layers of lacquer that have previously been dyed using vegetable colors onto the carved wood. This process of applying lacquer is done while the wood piece turns on the lathe. After a base layer of color has been applied, the product is then shaded expertly to obtain a variety of different effects. A locally available leaf having an abrasive texture is used for shading to give the product its distinctive glossy appearance and smooth exterior. Some artisans further hand-paint their products with floral or other Indian motifs. In this way, an artisan can use the same raw materials and tools to produce a large number of designs, shades and finishes, such that no two products look exactly the same. A schematic of the production process is shown in Figure 1.

\[\text{INSERT FIGURE 1 ABOUT HERE}\]

\[^3\text{In a survey conducted in 2012, over 90\% of sellers reported never selling twice to the same customer.}\]
Following the production of wooden handicraft goods in this way, artisans retail their hand-made products from their worksheds. These worksheds are identifiable to customers by the distinct (loud) sound of a motor lathe in operation, and are also advertised with signboards painted with the name of the artisan or the name of his business. When a customer enters the workshed, the artisan stops working and fetches a basket of finished goods from his house, typically attached to his workshed, to sell his self-made products. Thus, artisans are deeply involved in every process along the value chain, beginning with acquisition of the raw wood, to crafting it on a lathe machine, to polishing and painting it, to selling the finished product to a customer. My data reveal that artisans’ deep involvement in the production process results in high levels of attachment to their work and products.

In contrast, traders source products from several artisans in Channapatna as well as from artisans in other handicraft clusters across India and sell these products in small shops that they own along the highway. Traders stock a much larger variety of products than artisans and retail a larger volume of goods. However, unlike artisans, traders are simply unable to experience the transformation of the craft product from its raw, crude form to its final, refined state and thus, they have low attachment to their work and products.

In the next section, I describe the ethnographic methods that I used to commence my research process, through which I observed artisans’ relationship with their work and products.

**Ethnographic Methods**

The data collection began with eight months of ethnographic fieldwork. I began observation in the town of Channapatna in January 2012 after spending two months conducting exploratory research at handicraft clusters across India. When I arrived in Channapatna, I stayed at a small lodge that offered proximity to both artisanal localities and trading establishments in the town. Both artisans and traders welcomed me into their homes, making access straightforward. Although the locals did not understand what research or academia meant, my persistent interest in studying how handicrafts were made and sold and how work life was organized in Channapatna led them to trust me and, as a single woman of Indian origin in a predominantly male occupation, regard me as “harmless.”

During the day, I observed artisans and traders at work, paying special attention to their
work practices and routines. For example, I observed artisans’ creative decision-making process including how they chose colors and patterns and traders’ inventory management processes. In addition, in the evenings and over meals, I talked with artisans and traders about the day’s work and events (Spradley, 1979). Apart from my ability to communicate in Hindi, I also developed a working understanding of Kannada (the state language) that allowed me to speak with a diverse set of local people over time. Artisans and traders were keen for their stories to be told and they seemed to open up to me, even more than to their colleagues or families because, unlike many of their family members, I asked about their work and took interest in their lives (Simmel, 1950). I decided to carry a visible notebook from the beginning and let artisans and traders see me jotting notes at all times. At the end of each day, I made sure that I had documented all salient observations.

I structured my time so that I was in the field for three days a week and spent the rest of my time in Bangalore typing up field notes, writing memos and making sense of the emerging data. The time away from the field helped me identify puzzling observations that would inform the following week of my fieldwork. In this way, fieldwork included intensive participant observation of the artisans’ and traders’ day-to-day work, including observation of over sixty artisanal worksheds and visits to more than thirty trading establishments.

In addition to participant observation, I conducted twenty-two formal interviews and fifty informal interviews with artisans and traders whom I had met in the course of my fieldwork (Barley and Kunda, 2001). My interview sample captured diversity in religion and size of establishment (Trost, 1986). I used these interviews to probe deeper into how artisans and traders understood and made sense of their work lives and their selling process (Spradley and Baker, 1980). The semi-structured interviews were conducted in Hindi and lasted, on average, one hour. Over the course of the interview, I covered many topics ranging from how the sellers had entered their occupation, how they experienced their work, what they liked and disliked about their products, their daily routines and practices, how they approached selling and how they perceived different audiences. Each interview was digitally recorded and after every interview, I recorded my impressions of the interviewee, his house, workplace and family members.

I inductively analyzed the open-ended data, comprising over 500 pages of fieldnotes and in-

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4 Interview protocols available upon request.
terview transcripts, using Atlas.ti. My inductive analysis (Glaser and Strauss, 1967) consisted of multiple readings of field notes and interview transcripts and extensive memo writing to decipher patterns in how artisans and traders talked about their products and understood their work. In my coding of the data, I associated passages of text with one or more codes such as appreciation for artistic quality and creativity, attitude towards money and concern for their reputation. In this way, the theorizing and analysis of the data proceeded iteratively.

**Ethnographic Findings: Artisans’ Unique Relationship with their Work and Products**

My fieldwork revealed that artisans and traders had different orientations to their respective work. Traders, like prototypical “shopkeepers,” displayed competitive market behavior, pursuing work for its material benefit rather than for other kinds of fulfillment. I observed that traders approached their work of selling handicraft products as an instrumental activity to provide the resources necessary to pursue activities outside of work and to attain financial security. With this material understanding of their work, in interviews, traders repeatedly talked about “money” and the “monetary gains from the sale of their products,” explicitly articulating their monetary motivations. As one trader said:

> We work for money. Even my wife understands this. My wife asks [me] for money and if I don’t give her enough, then she asks “what is the point [of] your work?”.

So ultimately I work for money.

Traders similarly viewed their work-products as means to a financial end. Traders were not involved in the creative work of designing and making the products that they sold and therefore, did not establish a deep connection with individual pieces. One trader, revealing his limited product attachment, said:

> Today I sell one thing, tomorrow another, its all the same.

I further observed that while traders paid attention to the different audiences entering their

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5While sellers can sometimes be attached to the process of selling and negotiating, also called the “art of the deal,” my fieldwork revealed that this was not the case among Channapatna’s traders.
shops and purchasing their products, in line with their orientation of pursuing work as a means to an end, traders focused predominantly on these audiences’ willingness-to-pay in order to extract the highest price possible. As one trader said:

Everything is about money only, no? Why else would we work? People steal also, for money only. Without money, we have nothing. Even the cocks wouldn’t wake up in the morning without money....so of course I think about how much each buyer will pay..and [I try to] sell for the highest price.

In contrast, the fieldwork revealed that artisans identified strongly with their work of making and selling their creative output, which they found to be pleasurable and fulfilling. My data suggest that for artisans, work was something that had value and meaning in itself, not just in the output or profits that resulted from it. Artisans frequently described “loving their work” and “enjoying their work” and took pains to tell me that they were not in this profession for money and that “if [they] wanted to make more money, [they] could have left a long time ago.” The fieldwork revealed that in addition to valuing their work, artisans harbored similar feelings of attachment towards the handicraft products that they crafted by hand, a phenomenon I label “work-product attachment.” The data further suggest that artisans were sometimes so attached to their products that they wanted to sell to audiences who would take care of their products beyond the point of sale. The following sections draw on the inductive analysis of field-notes and interview transcripts to illustrate artisans’ identification with their work, their work-product attachment and preference for discerning audiences.

**Artisans’ Identification with their Work**

The fieldwork uncovers three indicators of identification with work that emerged prominently and were intensely present in artisans, reflecting their high identification with their work. These indicators resonate with existing research on identification with work too (Fine, 1992; Harrison et al., 2009; Bunderson and Thompson, 2009). The indicators were: deification of work, willingness to make personal sacrifices for work and internal quality standards for work. This section describes how artisans saw their craft as being sacred, were willing to make sacrifices for the sake of their work and held exacting self-set benchmarks.
Deification of Work. The first indicator of identification with work that I uncovered was deification of work, where work is understood as being a sacred activity. Artisans deified the process of work, seeing the craft of shaping wood into beautiful objects as a sacred calling. Artisans developed devotion towards their craft in concert with doing their work, loving their work and becoming emotionally and spiritually connected to the work process. An artisan I spoke with said:

Work is god for us. This is my work. I get a lot of satisfaction...It’s not like other work, where you work for money or some other material thing.

In interviews, artisans often expressed awe at the transformation of their raw wood into finished products and explicitly described understanding their work of creating handicraft products as being sacred and divine. As one artisan said:

People carry that kind of devoted attitude towards the production process. People treat the creation of their products as god’s work.

A few workplace practices further drove home the fact that artisans viewed their work to be a form of worship and identified strongly with their work. For example, artisans elevated their tools and machinery to the level of god, treating them like idols inside a temple and worshipping them by offering flowers and lighting incense sticks. Similarly, artisans would go to extreme lengths to ensure that their machines and tools were kept clean. Artisans would clean their machines multiple times a day and this practice was widespread even though machines were rendered dirty and covered in sawdust as soon as they were turned on and the work commenced. This practice was not motivated by efficiency concerns but by artisans’ desire to ritually honor their work. As one artisan said:

I see people cleaning their machines in the morning and evening, twice a day just like we pray twice a day.

Personal Sacrifices for Work. The second indicator of identification with work that I uncovered was willingness to make personal sacrifices for the sake of one’s work. I observed that artisans often sacrificed safe working conditions and put their personal health at stake when faced with a decision that interfered with the perceived purity of their art.

Artisans’ willingness to make sacrifices for work was illustrated in several of their work prac-
tices. For example, I noticed that artisans did not use protective eyewear despite splinters and wood chips commonly flying from their lathes and getting lodged in their eyes. I found that this decision was not motivated by cost, access or ignorance. Instead, the matter seemed to be one of trading artistry for safety. Artisans explained that the glasses impeded their ability to pay close attention to minute details in their designs. Artisans’ commitment to their designs, at the expense of their personal safety, indicated how they placed higher value on the quality of their work than their personal well-being. As one artisan I interviewed articulated:

When I work on the lathe, if I put on the shades [eye glasses], I am unable to see the wood as carefully [as I want to]. So no one wears them.

The same issue showed up with other forms of workplace safety. Artisans typically worked without footwear; there was not one workshed where I observed an artisan with footwear. The workplace floor was typically covered with a thick layer of sawdust and wood splinters which necessitated the use of footwear lest the craftsman’s feet became cut and bruised. However, because artisans treated work like god, and owing to Indian religious customs (both Hindu and Muslim) that deem it inappropriate to don footwear in a place of worship, artisans did not cover their feet. When asked why they don’t wear footwear despite the safety implications, the idea seemed nonsensical to one artisan - “Do you wear chappals[footwear] inside the house of god?” he replied. These examples illustrate the ways in which artisans’ affinity to their work led them to compromise on their health and safety.

**Internal Quality Standards for Work.** The final indicator of identification with work that I uncovered was internal quality standards or self-set standards of excellence for work. Artisans aspired to make their work “as good as it could be,” going to great lengths to achieve this goal. Artisans had exacting internal standards for their work and were not shy to invest boundless energy to achieve these standards. These standards did not come from some handbook or recipe, but derived from artisans’ unwavering pursuit of beauty, which they sought to enact by demonstrating mastery over their raw materials and their machines. One artisan I interviewed said:

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6 More than 80% of the workshops I visited had stacks of safety eyeglasses (distributed for free by the government) which lay unused.
I love this work...I put my heart and soul into it...it’s more than the money...it’s about achieving perfection.

I additionally observed that artisans’ work decisions were driven by a barometer for what was “right” when it came to the practice of their art. For example, another artisan said:

Every piece I make, I need to know that I’ve made well. If I want to make it even better, that means its not there yet and I do more work on it.

For this reason, artisans were generally appalled by products in the market that fell short of their core internal standards. An interview that I conducted with an artisan highlighted his disapproval of traders’ increasing adoption of Chinese machine-made, plastic replicas of local handmade products that were beginning to flood the Channapatna market:

The Chinese products have copied our designs but they don’t have the quality...people who know the art well can tell the difference between their products and ours...its in the coloring and finishing. Its disgusting what is happening..

In sum, the previous three subsections demonstrated that artisans deified their work, sacrificed their health and safety for the sake of their work and had stringent internal quality standards, reflecting their high identification with their work.

Artisans’ Work-Product Attachment

My fieldwork revealed that in addition to valuing their work, artisans harbored similar feelings of attachment towards the handicraft products that they crafted by hand. By participating in a painstaking production process that combined traditional craft knowledge and novel creative expression, I observed that artisans developed a special relationship with each piece that they made and cared deeply about the piece throughout its life cycle. In this paper, I label such a relationship that sellers sometimes develop with their products as “work-product attachment.”

Artisans in Channapatna treated the products that they made like their own babies, part of their embodied selves, bestowing these products with love and showering them with attention. In interviews, artisans expressed deep affection towards their products that mirrored a parent’s love for his or her child. As one artisan said:
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.

Further, instead of referring to their products using the pronoun “it,” artisans sometimes anthropomorphized the products by using the pronoun “him” or “her.” Another artisan said:

No two bangles look exactly the same...I can easily identify her [my red bangle] among a sea of seemingly similar red bangles.

While work-product attachment can be hard to observe, my fieldwork additionally uncovered two indicators of work-product attachment. When I observed artisans in Channapatna, I noticed that some artisans were relatively more attached to their products than others, offering intra-artisanal variation in work-product attachment. This variation seemed to stem from artisans’ level of investment in their products. In particular, inductive analyses revealed that 1) artisans who were more involved in the work process and 2) artisans who had a higher level of creative engagement with their work were more attached to their products than other artisans who had lower work process involvement and creative engagement respectively. Below, I describe these two indicators of work-product attachment, namely work process involvement and creative engagement.

**Work Process Involvement.** First, I observed that artisans who were more involved in their production process and performed their work from start to finish had greater work-product attachment. While the majority of artisans manufactured the entire product themselves, some artisans who retailed handmade products were not involved in the total manufacturing process, but would source semi-finished components from other local suppliers or outsource preparatory or finishing processes. I observed that when artisans were more involved in the production process, they invested more effort into their products and similarly spent more time with their products. As such, they developed a stronger emotional connection with their products. For example, one artisan said:

The more I sweat, the more I love [my product].

Artisans described that the opportunity to do a whole and identifiable piece of work, from a logical beginning to a logical ending point, provided them with the opportunity to be-
come familiar with each of the tasks associated with completing a piece, resulting in greater attachment to the final object. An artisan said:

You get that satisfaction when you see your product transform from the raw wood to the final shape, like them taking the first footsteps, then getting shapes, then making their initial forays into the market, and finally, you have to sell them. It’s like holding their hands through this whole process and then giving them away...its not the same if you just package the products and sell them.

**Creative Engagement.** Similarly, I observed that artisans who had a higher level of creative engagement with their work also had greater work-product attachment. For example, I observed that when artisans created innovative products and introduced new designs, they became especially emotionally attached to their “babies,” so much so that sometimes they wouldn’t sell these products at all. In such cases, the pieces with the new designs were treasured by the artisans and kept as mementos. This seemed to be a widespread practice, as evidenced by the fact that on my first visit to most artisans’ homes, they invariably fetched a handful (or more) of unique self-made artifacts from a closed cupboard in their bedroom for my viewing. During one such interaction, an artisan said:

We like to do our own pieces, create them with new designs, new colors and keep samples for our memory..we don’t want to become operators in a factory.

In addition to having trouble parting with creative products, I also observed that sometimes artisans offered their most creative products to their “gurus,” other senior artisans from whom they had learned their trade. One artisan explained that when he was particularly proud of a product that he had made, he would be especially attached to the product and deem that only another artisan was worthy of owning and taking care of his creation. This practice of offering creative products to other artisans was also described by another artisan:

Every time I make something creative, I feel blessed [to have] the skill and heritage I have gotten...[and] want to keep him [the product] close [within the artisanal community].

Based on this, I argue that work-product attachment and creative engagement can be seen
as indicators of work-product attachment.

**Product Attachment, Audiences and Price-Setting.** My field observations additionally indicated that artisans’ work-product attachment might influence their price-setting behavior to different audiences. In interviewing artisans, I discovered that artisans were sometimes so attached to their products that they seemed to care not only about the artistic quality of their products but also about characteristics of the audience purchasing the product. Artisans valued finding the “right buyer” for their product, one that would take care of the product, appreciate its value, and display it in aesthetically pleasing ways, more than simply finding a buyer who would pay a hefty price. One artisan, describing his preferences for discerning audiences, said:

> I want my product to be displayed well in the customer’s home. I don’t want it [the product] to lie on a dusty shelf somewhere or in a closed cupboard... some buyers will put my product on a center table, that’s what I like.

My fieldwork further suggested that artisans offered discounted prices in order to transact with audiences perceived as being discerning. In line with this, I noticed that I often received lower prices than other tourists when shopping for jewelry in artisans’ shops on days when I also happened to wear handicraft jewelry - artisans would ask about the origin of my jewelry and seemed to interpret my prior history with handicraft products as a signal that I would take care of their craft jewelry. Additionally, I observed that international tourists, despite their higher willingness-to-pay, were also seen by artisans as having a keen interest in Indian handicrafts and were offered discounts. One artisan explained why he liked selling to foreign audiences:

> Our necklaces which are brightly colored look good with a white shirt and usually foreigners know to wear this combination; then the necklace shines.

These findings offer hints that artisans, who identify with their work, prefer transacting with discerning audiences and even offer such audiences discounted prices. Based on this data, I designed an experiment to causally test Hypotheses 1a and 1b described earlier in the paper that workers who identify with their work offer below-market prices to discerning audiences and charge market prices to non-discerning audiences. In particular, the experiment captures
artisans’ pattern of pricing across experimentally-manipulated audience categories. The experiment additionally compares artisans’ pricing pattern to traders’ prices to analyze how artisans’ prices to different audiences deviate from standard market pricing.

**Experimental Methods**

The experiment in this paper adapted an audit study design, which has previously been used in the study of discrimination broadly (Pager, 2007; Pager and Quillian, 2005; Correll et al., 2007) and price discrimination in particular (Schoar and Iyer, 2013), to study price-setting in Channapatna. The experiment proceeded as follows: six auditors varying in their portrayed level of discernment were trained to be buyers of a standardized craft product, a pair of half-inch bangles, in Channapatna. Each auditor visited artisans and traders in the seller sample in a randomly assigned order to make these purchases and negotiated for a price according to a prescribed bargaining script. The experiment thus collected data on the prices charged by artisans and traders to different audiences from 455 sales transactions. The experiment, which was conducted over a two week period in the middle of May 2012, coincided with a large cricket tournament in the area. This meant that there were more tourists than usual visiting Channapatna, the auditors did not stand out and sellers remained unaware that they were part of an experiment. This section describes the design and implementation of the experiment in detail.

**Auditors and Experimental Treatment.** The experiment sought to test the hypothesis that workers who identify with their work offer below-market prices to discerning audiences and market prices to non-discerning audiences. Therefore, in my fieldwork, I paid attention to the kinds of audiences that artisans and traders in Channapatna typically encountered. Subsequently, I hired auditors to role-play each of these audiences in order to collect systematic data on the prices charged to different audiences in this setting. In particular, my fieldwork revealed that that there were three distinct audiences that purchased products in Channapatna.

The first category comprised Indian buyers who came from small towns in a 500 kilometer radius around Channapatna in the state of Karnataka - and spoke the same language, Kan-
nada, as the locals in Channapatna. These buyers dressed like the locals in Channapatna, wearing plastic jewelry, *salwar-kameezes* made of polyester material and carrying synthetic handbags. I call this category the “Indian-Baseline” audience.

The second audience category also comprised Indian buyers native to the region, coming from similar Kannada-speaking towns close to Channapatna in the state of Karnataka. However, unlike the Indian-Baseline audience these buyers wore handmade products and thereby, displayed an aesthetic discernment for handicraft products in their fashion choices instead of the more common synthetic alternatives. These buyers often wore craft items such as handmade terracotta earrings, a handcrafted metal necklace, *salwar-kameezes* made from handwoven cotton and they carried handbags woven out of natural fiber. These products worn were typically from craft clusters in other parts of India, not from Channapatna, thus indicating appreciation for craft work rather than familiarity with Channapatna’s products. I call this category the “Indian-Craft” audience.

The third audience category consisted of foreign tourists who had traveled a long way from their native countries and had chosen to shop for handmade products in the remote town of Channapatna even though they spoke neither Kannada nor Hindi; they conducted their transactions in English. They looked discernibly wealthier and had lighter skin color, distinct features and wore Western clothing consisting of dresses, skirts, pants and shorts. I call this category the “International” audience.

Having identified these three distinct audience categories,8 I surveyed a sample of artisans and traders in Channapatna to measure how they perceived the level of discernment and willingness-to-pay of the Indian-Baseline, Indian-Craft and International audience categories.9 I focused on the three audiences’ discernment and willingness-to-pay in the survey based on my observation of how artisans and traders set prices for different buyers. The

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7 Indian attire consisting of a pair of loose trousers, a long tunic and a scarf
8 In a survey that I conducted, artisans and traders reported that Indian-Baseline, Indian-Craft and International customers represented 70%, 20% and 10% of their respective customer bases respectively.
9 The sellers were shown a picture each of an Indian-Baseline, Indian-Craft and International buyer, where these buyers were distinguishable based on their “looks,” and were asked to rate how much they thought each buyer would pay for their bangles and how much they would a) know about, b) appreciate and c) take care of their bangles. Perceived willingness-to-pay was measured in Rupees and perceived level of discernment was derived by averaging the sellers’ responses to three questions (listed in Appendix A), each answered on a 5 point Likert scale.
results, shown in Figure 2, illustrate that the sellers (both artisans and traders) rated the Indian-Baseline audience as being low in their level of discernment and rated the Indian-Craft and International audiences as being high in their level of discernment. Interviews with artisans and traders also corroborated that they perceived the Indian-Craft and International audiences to be discerning, where they described these audiences as being “appreciative,” “having a keen eye” and “collectors of beautiful items.” Additionally, the sellers perceived Indian-Baseline and Indian-Craft buyers as having low willingness-to-pay for their products and perceived International buyers as having high willingness-to-pay for the same products.

Guided by these field observations, I then hired six auditors for the experiment and assigned them to role-play the three audiences that I had observed - Indian-Baseline, Indian-Craft and International. The auditors were all women in their early twenties with 12 to 14 years of education. None of them had been to Channapatna before, or had prior familiarity with the craft work there and in this way, they were similar to the average tourists shopping in Channapatna. The auditors differed in their “look,” or material presentation, which constituted the key aspect of the treatment for the experiment (Mears, 2011): the Indian-Baseline auditors dressed like they normally would, the Indian-Craft auditors wore handmade clothes and handicraft jewelry and carried a handmade bag, and the two International auditors, from Thailand and Mauritius, looked and dressed like Westerners.

The auditors were assigned the task of purchasing a pair of Channapatna bangles from a sample of artisans and traders, in order to observe whether the auditors representing the two discerning audience categories, Indian-Craft and International, receive below-market prices from artisans while the auditors representing the non-discerning audience category, Indian-Baseline, receive market prices from artisans in line with the prices charged by the traders.

**Product and Sellers.** The “Channapatna Bangle,” of half-inch width, was the craft product chosen for the purpose of the experiment. This bangle is ubiquitous and widely produced

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10The four Indian auditors were randomly assigned to the Indian-Craft and Indian-Baseline roles.
and sold in Channapatna owing to its current popularity in Indian fashion. The bangle is sought-after for its aesthetic properties and the fine craftsmanship that produces perfectly rounded wooden bangles, evenly coated with natural vegetable dyes in many different colors and perfectly polished to obtain a glossy exterior. While being a creative product and offering an avenue for creative expression and craftsmanship through differential color, pattern, and design, this bangle is relatively standardized in its cost of production because of its fixed size and shape.

Since these bangles are usually worn in pairs, each auditor purchased a pair of Channapatna Bangles.

For this experiment, a sample of 77 sellers, 52 artisans and 25 traders, was created from Channapatna’s population of over 5,000 sellers. See Figure 2 for a map showing the geographic location of the chosen artisans and traders, collected through a GPS device. In choosing the sellers for the experiment, only those artisans and traders who had ample experience making and selling half-inch bangles, and who had sufficient stock of this product were considered. Further restrictions were imposed on the sample to select artisans and traders who were at least 500 meters away from other sellers in the sample. The final sample consisted of sellers across 8 localities of Channapatna. The sellers in the sample were divided into 20 groups, each consisting of 3 to 4 artisans or traders, based on geographical proximity. This aided in devising a schedule for the experiment.

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1162% of the sellers I surveyed reported the Channapatna bangle to be their top product in terms of sales.

12My survey captured data on bangle production costs. The mean cost of producing a bangle in my data is Rs.9.39 with a relatively low standard deviation of 5.32. In contrast, the mean cost of producing another popular product - spinning tops - is Rs.18.39, with a much higher standard deviation of 27.55, driven largely by variation in the sizes and shapes of spinning tops.

13This experimental design does not vary the product being purchased and therefore, the results cannot speak to how the particular product being purchased affects the prices charged to different audiences by artisans and traders. However this experiment offers a conservative test of whether sellers’ relationship with their work and products affects price setting for different audiences because bangles are relatively cheaper, less complex and quicker to produce than some other products like toys and dolls. If the experiment shows that artisans offer below-market prices to discerning audiences for the Channapatna bangle, we would expect the results to be magnified for more complex products that require more investment in time and creative energy from artisans.

14The sellers in my sample were no different from other sellers in Channapatna, based on ethnographic observation and interviews.
Training. Prior to implementing the experiment, the auditors spent three days in training, consisting of classroom presentations and discussion, practical observation of the area, followed by a pilot exercise. The first part of the training involved introducing the auditors to the setup of the experiment without revealing the research questions of interest. This included educating the auditors about the wood and lacquerware products of Channapatna and specifically, the product that they would purchase in the experiment - a pair of bangles of half inch width. This ensured that the auditors could easily identify the Channapatna bangle at the time of sale. Auditors were instructed to transact with the trader or artisan himself, not a relative or wife, and similarly, not to purchase from sellers not listed in the sample. Subsequently, the auditors were put through a range of role-playing exercises to practice acting like a buyer and to achieve consistency in their acting. This portion of the training involved memorizing a script describing what the auditor was doing in Channapatna, namely making a stop en route to the tourist city of Mysore, learning to deny any prior exposure to the wood and lacquer craft and learning the bargaining routine to haggle for the products. The final element of the classroom training entailed practicing how to fill out a “Transaction Form,” a custom form designed to capture prices and other details of the transaction, after each purchase.

The classroom education was followed by field training in Channapatna. A mini-van was rented to drive through Channapatna and build familiarity with the area. Auditors were given detailed maps marking the locations of every artisan and trader in the sample and were shown the different localities of the town so that they could find their way alone during the actual experiment. Finally, a pilot experiment was conducted in a nearby town called Yarabnagar that makes carved wooden products. Here, auditors visited a small sample of sellers to rehearse their script, make purchases in accordance with the bargaining protocol and practice filling out the transaction form after each sale.

Randomization. The schedule for the experiment was created using a computerized randomization algorithm - this schedule determined the transactions that an auditor would conduct on a given day. Each day of the experiment was divided into two time slots, a morning slot and an evening slot. As established, the actors for the experiment comprised 6 auditors and 20 seller groups, each consisting of 3 to 4 sellers each. The goal of the ran-
domination code was to assign one auditor to one seller group in a given time slot such that: 1) each auditor visits a given seller group only once, 2) two auditors do not visit the same seller group in the same time-slot, 3) sellers do not receive auditor visits on consecutive days and 4) a seller does not receive more than 3 auditor visits in a week. Imposing these constraints on the randomization code mitigated concerns of “demand effects” or stockouts and ensured that sellers in the sample were not bombarded by auditors.

Bargaining. The bargaining routine, modeled on typical informal market behavior in India (Iyer and Schoar, 2013), was standardized across all transactions conducted in the experiment: On reaching an assigned seller, the auditor would leisurely survey the seller’s products before choosing a pair of half-inch bangles for purchase. The auditor would then get the seller’s attention and ask for the price of the bangles. Upon hearing the seller’s initial price, in the first round of bargaining, the auditor would offer half of this quoted price. If the seller did not accept this offer, he would suggest a second price to which the auditor would raise her initial offer by Rs.2 in this second round of bargaining. If the seller did not accept this offer as well, the interaction would repeat a third time, with the seller offering yet another price and the auditor raising her offer by Rs.2 again. The bargaining would cease after this point and the auditor would pay the final price demanded by the seller.

Experimental Findings: Artisans’ Differential Prices for Discerning and Non-Discerning Audiences

In total, the experiment comprised 455 audit visits to 52 artisans and 25 traders conducted by 6 auditors, where each auditor visited every seller in the sample. Table 3 shows the distribution of sales transactions by each seller and audience category. The table reports that each of the three audience categories accounted for between 100 and 103 transactions with artisans and 50 transactions with traders over the course of the experiment, thus making for

15Survey data indicate that sellers retail 70 bangles per week on average and therefore, the 3 auditor purchases per week of the experiment were unlikely to be noticed by the sellers to affect their behavior.

16A situation where the sellers price differently because of depleting stock.
a fairly balanced overall distribution in sellers’ exposure to the experimental treatment.\textsuperscript{17} Data from the experiment also provide evidence that the ordering of auditor visits to any seller was random, as planned. For example, a seller had a roughly 33% chance of receiving an International, a 31% chance of receiving an Indian-Baseline and a 35% chance of receiving an Indian-Craft auditor for their first transaction. In unreported analyses, I further demonstrate that baseline characteristics like whether the seller’s spouse was present at the time of the transaction and the stock of bangles a seller had left were also randomly distributed across the experimental transactions, providing evidence that randomization was implemented according to the plan.

\textbf{INSERT TABLE 3 ABOUT HERE}

\textbf{Prices: Measurement.} This section explores the pattern in prices offered by artisans to the experimentally-manipulated audience categories. I focus on initial price, the price first quoted by the seller because, even though the bargaining protocol was standardized, initial price reflects the sellers’ appraisal of each audience and should be independent of the way in which bargaining proceeded.\textsuperscript{18} In order to test Hypothesis 1 that individuals who identify with their work will offer below-market prices to audiences whom they perceive as being discerning and charge non-discerning audiences market prices, this section additionally compares artisans’ initial price to the market price for each audience category. I measure this market price using the mean initial price charged by traders to each audience category in my experiment. Traders, as extrinsically-driven sellers who dominate the market for handicraft goods, set competitive market prices in accordance with each audience’s willingness-to-pay.

Figure 3 illustrates traders’ mean initial prices and empirically confirms that traders’ initial prices are on average in line with each audience’s willingness-to-pay using data on perceived willingness-to-pay from my survey of artisans and traders. The graph to the left plots the

\textsuperscript{17}While all 150 transactions with traders were conducted as planned, there were 7 planned transactions with artisans that could not be completed due to unavailability of the artisans in question. However, these incomplete transactions were also distributed evenly across the 3 auditor categories.

\textsuperscript{18}The results are robust to using final prices, which is the price at which the product is eventually purchased after auditors engage in three rounds of standardized bargaining. In a separate paper, I demonstrate how sellers’ bargaining strategies also vary based on their audiences’ characteristics.
mean initial price charged by traders to each audience, showing that the market price is highest for International auditors (Rs.45.30) and much lower for Indian-Craft (Rs.32.72) and Indian-Baseline (Rs.31.04) auditors. The graph to the right depicts the mean difference between traders’ initial price and each audience’s perceived willingness-to-pay, with error bars representing a 95% confidence interval around the mean. The graph shows that this difference between traders’ prices and perceived willingness-to-pay is not statistically different from zero for each of the three audience categories, thus instilling confidence in using traders’ mean initial price to the different audiences as a measure of market price.

INSERT FIGURE 3 ABOUT HERE

Artisans’ Prices to Different Audiences. Hypothesis 1 suggests that artisans will charge below-market prices to discerning audiences and market prices to non-discerning audiences. In order to test this, Figure 4 illustrates artisans’ mean initial prices to the three audience categories in the graph on the left and the mean difference between artisans’ initial prices and the market price for each audience category in the graph on the right. The graph on the left indicates that artisans charged the lowest prices to the Indian-Craft buyers (Rs.18.63) followed by the International buyers (Rs.28.15) and they charged the highest prices to the Indian-Baseline auditors (Rs.36.87). The graph on the right shows that artisans offered significantly below-market prices to the two discerning audience categories, Indian-Craft auditors and International auditors. In particular, the graph shows that artisans offered similar discounts in price relative to the market price for each of these discerning audiences. With respect to the non-discerning Indian-Baseline audience category, the graph shows that artisans offered prices slightly greater than the market price to this audience, suggesting that artisans might be charging a “riff-raff” penalty to non-discerning audiences for having to hand over their “babies” to these audiences. In sum, these results provide preliminary evidence that individuals who identify with their work do indeed price differently for different audiences where these individuals prioritize monetary gains less for

19 Note that while artisans’ initial prices (Rs.18.63 vs. Rs.28.15) and market prices (Rs.32.72 vs. Rs.45.30) for Indian-Craft and International auditors differed significantly, the mean difference between the price charged and the market price for Indian-Craft and International auditors was not statistically significantly different from one another, as evident from the overlap in the two categories’ confidence interval bars.

20 Thank you to Reviewer 3 for pointing this out.
discerning audiences as compared to non-discerning audiences.

**Regression Predicting Initial Price.** While comparing artisans’ mean initial prices and the market price for the three audience categories in Figure 4 was illuminating, Table 4 tests whether these differences are robust to the addition of several controls in a regression format. The OLS models predicting initial price\(^{21}\) allow me to account for error structures robust to a group-level covariance.\(^ {22}\)

I regress initial price on audience dummies for the Indian-Craft and International audiences, and seller-audience interaction dummies for artisan sellers interacted with each of the three audience categories. The constant term provides the estimated initial price offered by traders to the Indian-Baseline auditors since trader sellers and the Indian-Baseline audience are the omitted categories. The coefficients for Indian-Craft and International auditors represent the respective differences between the initial price offered by traders to the Indian-Craft and International auditors as compared to traders’ initial prices to the Indian-Baseline auditors. While these coefficients demonstrate the variation in market prices in this setting, we will focus on the coefficients for Artisan Sellers*Indian-Baseline Buyers, Artisan Sellers*Indian-Craft Buyers and Artisan Sellers*International Buyers, which represent the differences between artisans’ initial price and the market price for the three audiences in order to test Hypothesis 1.

Model 1 of Table 4 shows that artisans offered significantly below-market prices to the Indian-Craft and International discerning audiences and that the difference between artisans’ initial price and the market price for each category was statistically significant at the 0.01 level, in support of Hypothesis 1a. Model 1 also shows that the difference between artisans’ initial price to the non-discerning Indian-Baseline audience and the market price was positive and statistically significant, though smaller. This suggests that rather than offering market

\(^{21}\) These results are also robust to running tobit or censored regression models instead of OLS models.

\(^{22}\) Standard errors are clustered at the level of sellers (77 clusters); this allows for potential correlation in the error terms within sellers and uses repeated observations on transactions with the same seller to estimate standard errors robust to this problem (Angrist and Pischke, 2008). Standard errors are clustered in a similar way for all the models reported in Table 4.
prices to non-discerning audiences as predicted by Hypothesis 1b, individuals who identify with their work offered above-market prices to non-discerning audiences.

While the random assignment of auditors to sellers as per the field experimental design negates the need for control variables, as a robustness check, Models 2 and 3 of Table 4 add transaction- and seller-level controls to the main regression presented in Model 1. Model 2 replicates Model 1 including controls for three transaction-level variables that could have had an impact on price, namely the presence of the seller’s spouse during the transaction, the availability of electricity at the time of the sale and the estimated stock left at the time of the transaction. We observe that the regression coefficients do not change very much from Model 1 to Model 2 suggesting that the transaction-level controls do not significantly affect the main results. Model 3 additionally includes a plethora of seller-level controls for sellers’ age, work tenure, education and income, the number of neighboring sellers around a given seller, sellers’ distance from the highway and the frequency of sellers’ visits to the closest city of Bangalore. Again, the results presented in Model 3 show that the pricing pattern is robust to these controls.

Thus, this section has presented causal evidence that artisans with high identification with their work offer significantly below-market prices to discerning audiences but charge slightly above-market prices to non-discerning audiences. In order to investigate the mechanism underlying artisans’ unique pricing behavior and test Hypothesis 2 that artisans will offer greater discounts to discerning audiences and charge even higher prices to non-discerning audiences when they have more work-product attachment, I conducted surveys with sellers in Channapatna.

\footnote{The spouse was present when there were other errands to run such as cleaning or arranging the items on display.}

\footnote{Channapatna faces unpredictable power outages of 3 to 4 hours a day.}

\footnote{This stock varied widely based on the seller’s day-to-day business.}
Survey Methods

I conducted two surveys to collect additional quantitative data in order to investigate the mechanism underlying artisans’ pricing behavior. I conducted the first survey in June 2012 with a sample of 52 artisans and 23 traders who participated in my field audit study. This survey collected (a) descriptive data including age, family information, household assets, religion, education and leisure activities, (b) workplace data such as tenure in the profession and machinery owned, (c) occupational data regarding work practices and norms such as time spent working, knowledge of other crafts, generational shifts and secondary occupations, (d) financial data about income, prices and expenditure on raw materials, (e) sales data by different customer groups and (f) work process data. The nineteen page survey, translated into Kannada, was developed through an iterative process of referring to field notes, relevant literature (Aziz, 1979), and in consultation with handicraft and survey experts. The survey was administered by three trained surveyors who read the questions aloud, elicited responses and filled out the surveys on behalf of the respondents. An individual survey took about 30 minutes to complete and respondents were compensated for their time away from work. I conducted the second survey in June 2015 with a sample of 16 artisans and 8 traders. The purpose of this survey was to collect data on sellers’ relationship with their products and their perceptions of the experimental audience categories. The survey was administered by the author along with a research assistant. An individual survey took about 15 minutes to complete.

Survey Findings: Mechanism of Work-Product Attachment

Hypothesis 2 predicts that the mechanism underlying artisans’ unique pricing behavior is their work-product attachment and in particular, that artisans will offer greater discounts to discerning audiences and charge even higher prices to non-discerning audiences when they have more work-product attachment. While my qualitative data (presented earlier) is

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26 There were 25 traders in the experimental sample but only 23 trader survey responses because one trader owned two shops and one trader refused the survey.
27 This was random sample of artisans and traders who had participated in my field experiment.
consistent with this prediction, in order to quantitatively test this hypothesis, I generated quantitative measures of the two indicators of work-product attachment that emerged from my ethnographic fieldwork: work-process involvement and creative engagement.

I measured work-process involvement through the number of stages of the production process than an individual artisan engages in himself, ranging from 1 to 9. As Figure 1 makes clear, the process of producing artisanal products involved nine distinct processes and my survey collected data on the specific processes that artisans engaged in themselves. I measured creative engagement through whether or not artisans engaged in two stages of the production process that offered the most scope for creative expression, namely lacquering and painting, the two coloring stages in the production of bangles. My interviews revealed that Channapatna bangles are fairly standardized in their shape and size and as a result, there was less scope for innovation in the wood carving stage, but that the same, round wooden bracelets could be creatively colored in a multitude of ways to create very different final products. Therefore, I defined creative engagement as “low” when artisans did not engage in lacquering and painting and “high” when artisans did their own lacquering and painting.

Having generated these measures for work process involvement and creative engagement, next, I quantitatively tested whether work process involvement and creative engagement are indeed indicators of work-product attachment. For this analysis, I relied on the Ball and Tasaki (1992) scale measure of product attachment that I collected data on in my survey. Figure 5 illustrates the relationship between the two indicators of work-product attachment, namely work process involvement and creative engagement, and product attachment itself for a sample of artisans. Panel A of Figure 5 is a scatter plot of work process involvement and

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28 These processes include cutting the wood, seasoning the wood, turning the wood on a lathe, assembling the products, polishing, lacquering, painting, finishing and selling.

29 The Ball and Tasaki (1992) scale consists of 9 questions that respondents answer on a Strongly Agree to Strongly Disagree Likert scale. The original scale used a 6 point Likert scale; I modified this to a 5 point Likert scale after noticing that my respondents - artisans and traders in Channapatna - found it easier to understand and respond to a 5 rather than 6 point scale, perhaps owing to their lack of prior exposure to such scales. Sample questions include Imagine for a moment someone making fun of your bangle. How much would you agree with the statement, “If someone ridiculed my bangle, I would feel irritated.” and How much do you agree with the statement “My bangle reminds me of who I am.” The full list of questions is presented in Appendix A. My June 2015 survey collected data on these 9 questions; the responses to the 9 questions (rated from 1-5) were then summed and divided by 9 to obtain a measure for work-product attachment, ranging from 1, indicating low work-product attachment, to 5, indicating high work-product attachment.
product attachment with a fitted line. The data show that as artisans engage in a greater number of production processes, they report having greater work-product attachment. Panel B of Figure 5 is a bar chart showing the mean work product attachment for artisans with low and high creative engagement. Again, the data show that artisans with high creative engagement report having greater work-product attachment than artisans with low creative engagement. While the data underlying these charts is from a subsample of artisans, the results are strongly indicative that work process involvement and creative engagement are indeed reasonable indicators of work-product attachment.

**Work-Product Attachment and Price-Setting.** Finally, in order to test Hypothesis 2 that artisans will offer greater discounts to discerning audiences and charge higher prices to non-discerning audiences when they have more work-product attachment, Figure 6 graphs how artisans’ initial prices to Indian-Baseline, Indian-Craft and International auditors vary with greater work process involvement in Panel A and greater creative engagement in Panel B using estimates from an OLS model.\(^{30}\) To be sure, if artisans’ initial prices to the discerning buyer categories (Indian-Craft and International) decreased further with greater work-product attachment and if artisans’ initial prices to non-discerning buyer category (Indian-Baseline) increased further with greater work-product attachment, these results would indicate that work product attachment is indeed the mechanism underlying artisans’ unique price-setting behavior. In other words, these results would suggest that a key reason why artisans charge below-market prices to discerning buyers is because they are extremely attached to their products.

For Panel A, the underlying model regresses the initial price offered by artisans on dummy variables for audience categories, as before, and also includes *Work Process Involvement* as an independent variable, where *Work Process Involvement* is a discrete variable ranging from 1-9 measuring the number of work processes that a given artisan engaged in. Crucially, in addition to these main effects, the regression includes interactions between audience category

\(^{30}\)I rely on my two indicators of product attachment - work process involvement and creative engagement - rather than my measure of work-product attachment owing to the limited number of observations for the product attachment measure this data was collected for 16 artisans.
and Work Process Involvement. This interaction term estimates how prices offered change for different audience groups as an artisan engaged in a greater number of work processes. The regression also controls for bangle cost, given that a legitimate concern would be that as artisans engage in a greater number of production processes, their cost structures would look different. These estimates were then used to calculate the predicted price than Indian-Baseline, Indian-Craft and International auditors would receive from an artisan depending on the audience category and the artisan’s Work Process Involvement. A convenient way of displaying these predictions obtained from regression coefficients is using a “marginal plot,” as shown in Panel A of Figure 6. The figure makes clear that artisans’ discounts in prices offered to the Indian-Craft and International groups increased with greater involvement in the production process and similarly, artisans’ “riff-raff” price penalties in prices charged to the Indian-Baseline group increased with greater work process involvement.

Similarly, in Panel B, the underlying model regresses artisans’ initial prices on dummy variables for audience categories, as before, and includes Creative Engagement as an independent variable, where Creative Engagement is a binary variable with a value of 0 for low creative engagement and a value of 1 for high creative engagement. Again, in addition to these main effects, the regression includes interactions between auditor category and Creative Engagement and controls for bangle cost. These estimates were then used to calculate the predicted price than Indian-Baseline, Indian-Craft and International auditors would receive from an artisan depending on the audience category and the artisan’s Creative Engagement. The results are displayed using a “marginal plot,” as shown in Panel B of Figure 6. The figure makes clear that artisans charge lower prices to the Indian-Craft and International groups with greater creative engagement and charge higher prices to the Indian-Baseline group with greater creative engagement.

**INSERT FIGURE 6 ABOUT HERE**

In this way, these charts offer suggestive evidence that work-product attachment influences artisans’ price-setting to different audiences by showing that as artisans are involved in more work processes and engage in more creative work, they give greater discounts to discerning customers and charge greater penalties to non-discerning customers.
Discussion: Contributions to Study of Identification with Work

Scholars have long argued that identification with one’s work is a fundamental aspect of human existence - it offers a non-utilitarian kind of lasting achievement (Arendt, 1959), it is the basis for human morality (MacIntyre, 1984) and it prevents alienation from one’s human nature (Marx, 1891). Using a full-cycle research design, this paper explored the conditions under which individuals who identify with their work make monetary sacrifices in setting prices for their work. I identified one key condition that moderated whether individuals who identify with their work make monetary sacrifices, namely the characteristics of the audience being transacting with. In particular, I causally tested how handicraft artisans who strongly identify with their work set prices to different audiences and found that artisans offered below-market prices to discerning audiences but charged above-market prices to non-discerning audiences. I further uncovered that the mechanism underlying this pricing behavior is artisans’ work-product attachment, or love for their products, which motivates a preference to transact with discerning buyers who will take care of work-products beyond the point of sale. These findings add to our understanding of economic decision-making in the context of meaningful work by highlighting the moderating role of audiences and uncovering the mechanism of work-product attachment underlying these decisions.

First, in terms of economic decision-making in the context of meaningful work, scholars have predominantly argued that individuals who identify with their work are disinterested in monetary gains (Scott Morton and Podolny, 2002; Mollick, 2012). A smaller group of scholars have argued exactly the opposite, that even individuals deeply connected to their work are ultimately driven by financial rewards (Brief et al., 1995, 1997). In this paper, for the first time in the literature, I demonstrate that the same individuals who identify with their work might prioritize financial gains under some conditions and might disregard monetary rewards in others. Although the focus of this paper is on price-setting, there is preliminary evidence suggesting that this behavior will manifest in other economic decisions too. For example, musicians often have to make decisions regarding where to perform and it is reasonable to expect that musicians will perform in large concert halls, generating significant revenue from ticket sales, under some conditions and niche, unprofitable venues
under others (Smith, 2009; Fonseca-Wollheim, 2012). Similarly, filmmakers often also have
to make investment and financing choices and in choosing a production company for their
film, they are likely to go with big-budget production houses under some conditions and
art-houses under others (Lovell, 2012).

Second, in terms of the conditions under which individuals who identify with their work
prioritize financial gains, I identify one important condition, namely, audience character-
istics, which moderates the salience of financial gains for these workers. In particular, I
show that when workers who identify with their work encounter discerning audiences, they
care less about financial rewards and set below-market prices, but when the same workers
encounter non-discerning audiences, they will try to maximize their financial rewards from
the transaction and set market or even above-market prices. In several markets (Wherry,
2008), creative producers encounter both discerning and non-discerning audiences, often one-
on-one, in the course of their working life. I argue that under these conditions, instead of
uniformly sacrificing or prioritizing financial gains, workers can behave “commercially” in
some transactions and “non-commercially” in others. There is anecdotal evidence that this
behavior is not unique to artisans in Channapatna; high-end cultural producers like three-
star chefs and clothing designers often hedge multiple audiences such that they achieve status
through the discerning audience and then are offered opportunities to make money by sell-
ing their cultural status for mass produced products to non-discerning audiences (Fantasia,
2010).

Third, in terms of the mechanism underlying the price-setting pattern of individuals who
identify with their work, I propose a novel mechanism called work-product attachment un-
derlying the variation in prices to different audiences. I argue that just like individuals can
identify with their work or occupation (Ryan and Deci, 2000; Adler, 1993; Bunderson and
Thompson, 2009), similarly they can also be attached to the output of their labor, especially
when they invest significantly in producing this output. I generate two indicators of work-
product attachment, namely work process involvement and creative engagement and argue
that consideration of work-product attachment suggests that workers who identify with their
work also care about their products beyond the point of sale and therefore desire to sell to
discerning audiences who will take care of their products, offering these buyers below-market
prices. While the basis for work-product attachment theorized in this paper is investment
of time, effort and creative energy into work-products, future research could explore other bases for work-product attachment such as when products serve social goals (Fourcade, 2011; Beckert and Aspers, 2011) or feed moral or identity-based sentiments (Zelizer, 1985; Anteby, 2006).

Implications for Method and Practice

Methodologically, this paper makes three contributions to our understanding of the full-cycle research approach. First, while this approach has traditionally combined ethnographic research with lab-experiments, my paper uses a field experiment instead of a lab experiment. Field experiments, conducted in natural everyday environments with the benefit of studying “real” decisions and outcomes for economic actors (Harrison and List, 2004), are especially well-paired with inductive fieldwork to causally test specific puzzles highlighted through observation: the fieldwork equips researchers with an in-depth understanding of the setting that could facilitate the design of the field experiment. In particular, I adapt a field audit study design, which has long been used to study discrimination in sociology (Pager, 2007; Correll et al., 2007) to study price-setting behavior, thus demonstrating that the audit study design has far-reaching applications beyond inequality research.

Second, while the full-cycle research model has traditionally emphasized ethnographic and experimental methods, my paper, for the first time in the literature, uses a survey to complement the existing methodologies. In particular, survey methods have three benefits to offer to the full-cycle research model: first, surveys can easily capture demographic and other background information across a large sample of research subjects to explore patterns within the main results. Second, surveys can shed light on mechanisms underlying the main results by measuring variables precisely and consistently. Finally, surveys can help rule out alternative explanations by systematically collecting data on a diverse set of questions. In this way, surveys can play a useful role in the full-cycle research model.

Third, this paper joins a handful of papers (Bernstein, 2012; Doering, 2014) that have adopted multiple methodologies to study a question of both theoretical and phenomenological interest in a developing economy context (Escobar, 2011). The full cycle approach is particularly suited to these contexts where a) it is useful to conduct fieldwork to in-
ductively understand how actors, who have remained relatively less-studied in management and sociology literatures, see the world and where b) it is relatively easier to run field-experiments.

Finally, this research informs the design of labor-market institutions in developing economies by highlighting the need for more sophisticated models of how low-income workers make sense of their work, beyond theories rooted solely in financial interests. Some scholarship in the meaning of work literature has argued that the tradeoff between meaning and money is not relevant to workers facing poverty, for whom the economic value of work becomes more salient (Leana et al., 2012; Brief and Nord, 1990). These scholars have argued that poverty is a classic “strong situation” which can constrain the meaning to be found in work practices such that individuals suffering economic distress tend to deemphasize the latent value of work (i.e. self-fulfillment) in favor of the manifest value of work (e.g., monetary rewards) (Leana et al., 2012). However, artisans in Channapatna, despite being poor, have significant identification with their work and monetize their work output in accordance with the audience consuming their work, offering significantly below-market prices to discerning audiences. Further, they become attached to the output of their labor, just like artists in Western economies (Velthuis, 2005), caring about the welfare of their work-products even beyond the point of sale. This suggests that an understanding of work that solely emphasizes its instrumental benefits is insufficient to design labor market institutions among the working poor. More broadly, over 40% of workers in the global economy are employed in the “creative class” of occupations where they experience some identification with their work (Florida, 2002) and my paper offers important insights into how these workers make economic decisions, thus informing the design of appropriate human resource policies that will allow these workers to flourish and continue seeking meaning through their work.

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Figures and Tables

Figure 1: A Diagram illustrating the Work Process of Handicraft Artisans in Channapatna

- **Wood Cutting**: Hale wood (Wrightia Tinctoria), which is fine-grained and lightweight, is first cut into desired sizes.
- **Wood Seasoning**: The wood is then seasoned by laying it out in the sun.
- **Wood Turning on Lathe**: The seasoned wood is fixed to a motorized lathe to turn it into various shapes using different tools.
- **Polishing**: Sandpaper is then pressed against rotating pieces of wood on the lathe to smoothen and polish and prepare the wood for the application of lacquer.
- **Lacquering**: Lacquer sticks in various colors, made with shellac and vegetable dyes, are applied against the rotating wood pieces giving a uniform layer of colored lacquer.
- **Finishing**: A dry keda (scrowpine) leaf is pressed against the rotating pieces to attain a uniform glossy finish.
- **Painting**: The pieces are then taken off the lathe and hand-painted with water color if desired.
- **Assembly**: The finished pieces are sorted for any defects and assembled to make the final product.
- **Selling**: The final products are stocked in the shop to be sold.

*Note:* The work of handicraft artisans can be split into 9 different processes. While most artisans engage in the entire production process, from start to finish, some artisans outsource a few of the processes. Out of the 9 processes, the lacquering and painting stages offer the greatest scope for creative expression.
Figure 2: GPS Plot of Artisans and Traders in Sample

Note: Artisans are denoted by “A” and traders by “T”.
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.
Figure 5: Indicators of Artisans’ Work-Product Attachment

Panel A: Product Attachment by Work Process Involvement

Panel B: Mean Product Attachment by Level of Creative Engagement

Note: These charts depict how artisans’ product attachment varies with their greater work process involvement and creative engagement. Work process involvement is a continuous variable ranging from 1-9 measuring the number of steps of the entire work process an artisan performs himself. Creative engagement is a binary variable [High/Low] indicating whether artisans engage in lacquering and painting, which are the two steps of the work process that offer the most scope for creative expression. Product attachment was measured using the Ball and Tasaki (1992) scale (see Appendix A) for a subset of the experimental sample (16 artisans) through a survey conducted in June 2015. Error bars represent a 95% confidence interval around the mean.
Figure 6: Variation in Artisans’ Prices by Work Process Involvement and Creative Engagement

Panel A: Linear Prediction of Initial Prices by Work Process Involvement

Panel B: Linear Prediction of Initial Prices by Level of Creative Engagement

Note: These charts capture how artisans’ prices to the different audiences change differentially as artisans are involved in more work processes and are engaged in more creative work. Estimates are reported from regressions with Initial Price as the dependent variable. In Panel A, independent variables include Work Process Involvement and Audience Category dummies, including both main effects and interactions between audience categories and processes. The regression additionally controls for Bangle Cost. Therefore, each data point represents the predicted price offered to an experimental audience category at a given process level. Similarly, in Panel B, independent variables include a dummy for Creative Engagement, Audience Category dummies and Bangle Cost. Error bars represent standard errors.
Table 1: Comparison of Seller Characteristics

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<th></th>
<th>Artisan</th>
<th>Trader</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraction Male</td>
<td>0.923</td>
<td>1</td>
<td>-0.077</td>
</tr>
<tr>
<td></td>
<td>(0.269)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>42.65</td>
<td>46</td>
<td>-3.346</td>
</tr>
<tr>
<td></td>
<td>(9.903)</td>
<td>(9.582)</td>
<td></td>
</tr>
<tr>
<td>Work Tenure (years)</td>
<td>23.71</td>
<td>19.32</td>
<td>4.396</td>
</tr>
<tr>
<td></td>
<td>(10.13)</td>
<td>(17.54)</td>
<td></td>
</tr>
<tr>
<td>Number of Family Members</td>
<td>6.423</td>
<td>5.826</td>
<td>0.597</td>
</tr>
<tr>
<td></td>
<td>(4.421)</td>
<td>(2.146)</td>
<td></td>
</tr>
<tr>
<td>Fraction Married</td>
<td>0.942</td>
<td>1</td>
<td>-0.058</td>
</tr>
<tr>
<td></td>
<td>(0.235)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td>Fraction Muslim</td>
<td>0.769</td>
<td>0.130</td>
<td>0.639***</td>
</tr>
<tr>
<td></td>
<td>(0.425)</td>
<td>(0.344)</td>
<td></td>
</tr>
<tr>
<td>Fraction Backward Castes</td>
<td>0.885</td>
<td>0.826</td>
<td>0.059</td>
</tr>
<tr>
<td></td>
<td>(0.323)</td>
<td>(0.388)</td>
<td></td>
</tr>
<tr>
<td>Years of Education Completed</td>
<td>6.788</td>
<td>10</td>
<td>-3.212***</td>
</tr>
<tr>
<td></td>
<td>(3.472)</td>
<td>(3.516)</td>
<td></td>
</tr>
<tr>
<td>Fraction Literate</td>
<td>0.885</td>
<td>0.957</td>
<td>-0.072</td>
</tr>
<tr>
<td></td>
<td>(0.323)</td>
<td>(0.209)</td>
<td></td>
</tr>
<tr>
<td>Exhibitions Attended/year</td>
<td>1.292</td>
<td>2.200</td>
<td>-0.908</td>
</tr>
<tr>
<td></td>
<td>(1.732)</td>
<td>(1.095)</td>
<td></td>
</tr>
<tr>
<td>Visits to Bangalore/month</td>
<td>3.241</td>
<td>2.450</td>
<td>0.791</td>
</tr>
<tr>
<td></td>
<td>(2.325)</td>
<td>(1.538)</td>
<td></td>
</tr>
<tr>
<td>Radio Listening Hours/day</td>
<td>4.667</td>
<td>3.200</td>
<td>1.467</td>
</tr>
<tr>
<td></td>
<td>(2.371)</td>
<td>(3.676)</td>
<td></td>
</tr>
<tr>
<td>Income in Dollars</td>
<td>77.39</td>
<td>155.2</td>
<td>-77.850***</td>
</tr>
<tr>
<td></td>
<td>(50.18)</td>
<td>(85.53)</td>
<td></td>
</tr>
<tr>
<td>Fraction in Cooperatives</td>
<td>0.288</td>
<td>0.261</td>
<td>0.028</td>
</tr>
<tr>
<td></td>
<td>(0.457)</td>
<td>(0.449)</td>
<td></td>
</tr>
</tbody>
</table>

Observations 52  23

mean coefficients; sd in parentheses

* p<0.1, ** p<0.05, *** p<0.01

Source: Survey conducted in June 2012 with sellers in experimental sample;
100% response rate for artisans and 96% response rate for traders;
one trader refused the survey and one trader owns two shops in the sample
Table 2: Experimental Treatment - Audience Categories

<table>
<thead>
<tr>
<th>Audience Categories</th>
<th>Perceived Level of Discernment</th>
<th>Perceived Willingness-to-Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian-Baseline</td>
<td>LOW [mean=2.67, std. error=0.16]</td>
<td>LOW [mean=31.29, std. error=4.65]</td>
</tr>
<tr>
<td>Indian-Craft</td>
<td>HIGH [mean=3.50, std. error=0.19]</td>
<td>LOW [mean=33.08, std. error=4.16]</td>
</tr>
<tr>
<td>International</td>
<td>HIGH [mean=3.81, std. error=0.22]</td>
<td>HIGH [mean=47.50, std. error=6.76]</td>
</tr>
</tbody>
</table>

Note: This table depicts the three audience categories that constituted the treatment for the field experiment: The first category was Indian-Baseline, consisting of Indian buyers who dressed as usual. The second category was Indian-Craft, consisting of Indian buyers wearing handmade craft products and the third category was International, consisting of foreign-buyers. Perceived level of discernment and perceived willingness-to-pay were measured using a survey administered to artisans and traders in June 2015 (see Appendix A for questions). Perceived level of discernment ranges from 0-5, with a higher value indicating more discernment. Perceived willingness-to-pay is measured in Rupees. Indian-Baseline buyers were perceived to have a [statistically significant] lower level of discernment by artisans and traders alike. International buyers were perceived to have a [statistically significant] higher willingness-to-pay by artisans and traders.

Table 3: Number of Sales Transactions by Sellers and Audiences

<table>
<thead>
<tr>
<th>AUDIENCES</th>
<th>SELLERS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Artisans (n=52)</td>
<td>Traders (n=25)</td>
</tr>
<tr>
<td>Indian-Baseline</td>
<td>103</td>
<td>50</td>
</tr>
<tr>
<td>Indian-Craft</td>
<td>102</td>
<td>50</td>
</tr>
<tr>
<td>International</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>150</td>
</tr>
</tbody>
</table>

Experimental Design:
6 auditors were hired to purchase bangles from a sample of artisans and traders;
Auditors visited the 2 types of sellers in a randomly assigned order;
The auditors represented 3 experimental categories:
Foreigners, Indians wearing handmade craft products and Indians dressed as usual
<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian-Craft Audience</td>
<td>1.680</td>
<td>1.520</td>
<td>1.689</td>
</tr>
<tr>
<td></td>
<td>(1.390)</td>
<td>(1.528)</td>
<td>(1.670)</td>
</tr>
<tr>
<td></td>
<td>(2.279)</td>
<td>(2.353)</td>
<td>(2.547)</td>
</tr>
<tr>
<td>Artisan Sellers*Indian-Baseline Audience</td>
<td>5.834**</td>
<td>5.852*</td>
<td>8.351*</td>
</tr>
<tr>
<td></td>
<td>(2.205)</td>
<td>(2.233)</td>
<td>(3.601)</td>
</tr>
<tr>
<td></td>
<td>(1.861)</td>
<td>(1.842)</td>
<td>(3.159)</td>
</tr>
<tr>
<td>Artisan Sellers*International Audience</td>
<td>-17.150***</td>
<td>-17.070***</td>
<td>-14.997***</td>
</tr>
<tr>
<td></td>
<td>(2.245)</td>
<td>(2.341)</td>
<td>(3.667)</td>
</tr>
<tr>
<td>Constant</td>
<td>31.040***</td>
<td>32.097***</td>
<td>28.555***</td>
</tr>
<tr>
<td></td>
<td>(1.770)</td>
<td>(2.039)</td>
<td>(4.914)</td>
</tr>
</tbody>
</table>

**Observations** 455 455 443
**Transaction Controls** No Yes Yes
**Seller Controls** No No Yes

Traders are the omitted seller category;
Indian-Baseline is the omitted audience category;
Standard errors clustered by seller are in parentheses;
One is added to zero prices in order to compute log prices;
Transaction controls include presence of the seller’s spouse, the availability of electricity and the estimated stock left at the time of the transaction;
Seller controls include age, work tenure, religion, education, income, number of neighboring sellers, distance from highway and frequency of visits to Bangalore;
Missing surveys for 2 traders accounts for lower number of observations in Model 2;
* p<0.1, ** p<0.05, *** p<0.01
## APPENDIX A: SURVEY QUESTIONS

<table>
<thead>
<tr>
<th>Scale</th>
<th>Variable Description</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Imagine for a moment someone making fun of your bangles. How much would you agree with the statement, “If someone ridiculed my bangles, I would feel irritated.”</td>
<td>1=Strongly Disagree</td>
</tr>
<tr>
<td></td>
<td>How much do you agree with the statement, “My bangles remind me of who I am.”</td>
<td>2=Disagree</td>
</tr>
<tr>
<td></td>
<td>Picture yourself encountering someone who would like to get to know you. How much do you think you would agree with the statement, “If I were describing myself, my bangles would likely be something I would mention.”</td>
<td>3=Neither Agree nor Disagree</td>
</tr>
<tr>
<td></td>
<td>Suppose someone managed to destroy your bangles. Think about how you would feel. How much do you agree with the statement, “If someone destroyed my bangles, I would feel a little bit personally attacked.”</td>
<td>4=Agree</td>
</tr>
<tr>
<td></td>
<td>Imagine for a moment that you lost your bangles. Think of your feelings after such an event. How much do you agree with the statement, “If I lost my bangles, I would feel like I had lost a bit of myself.”</td>
<td>5=Strongly Agree</td>
</tr>
<tr>
<td></td>
<td>How much do you agree with the statement, “I don’t really have too many feelings about my bangles.”(R)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Imagine for a moment someone admiring your bangles. How much would you agree with the statement, “If someone praised my bangles, I would feel somewhat praised myself.”</td>
<td></td>
</tr>
<tr>
<td>Perceived Level of Discernment</td>
<td>How much would this person know about craft bangles?</td>
<td>Same as above</td>
</tr>
<tr>
<td>Perceived Willingness-to-Pay</td>
<td>How well would this person take care of your bangles?</td>
<td></td>
</tr>
<tr>
<td>Perceived Willingness-to-Pay</td>
<td>How much would this person appreciate your bangles?</td>
<td></td>
</tr>
<tr>
<td>Perceived Willingness-to-Pay</td>
<td>How much is the maximum this person would be willing to pay for a pair of half-inch bangles?</td>
<td>In Rupees</td>
</tr>
</tbody>
</table>