



**An investigation on the Potentiality to Develop Local Handicraft  
Business as a Sustainable Tourism Product**

*This dissertation is submitted as a partial fulfillment of the degree of Bachelor of Business  
Management in Hospitality Tourism and Events Management*

**UWU/EX/12/0297**

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**Year 2016**

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Abstract**

Tourism highlights as one of the most prominent industry within the service sector in modern world economy as well specially in developing economies. Advanced technology and ability of owners to adapting the current trend in market inherited significant impact on level of innovation as well develop the handicraft business as a sustainable tourism product. Handicraft industry alone has been promoted to faster economic development, reduce unemployment and it has become a means of livelihood to many advantaged communities. Handicraft industry is link with tourism as a sustainable business where the cultural heritage of a destination could be exhibit while enhancing the livelihood of the local community. The objective of the study is to identify the market profile of the handicraft business and investigates the potentiality to develop innovative value added product to the local handicraft market. Primary data has been collected through questionnaire method and survey method adopted including 60 handicraft business owners. Galle district has been chosen as the survey area where the local handicrafts highly combine with the tourism industry. Stratified Sampling technique adopted and interview method used for the data collections. Data analysis through descriptive statistics and in-depth analysis has been followed. Finding revealed the middlemen involvement of handicraft business need to be stronger as a link between the tourist and the industry. Handicraft owners do not earn enough to ensure sustainable growth and need to develop sustainable business practices linkages between handicraft product and tourism. Further the strategies could adopt the development of local handicraft business as sustainable tourism product. As recommendations, value adding of handicrafts and design uniqueness is significant determinant of innovative activity in handicraft sector, hence the industry more focus on value addition by securing the traditional cultural values in sustainable tourism product.

**Keywords: Handicrafts, Innovation, Sustainable tourism product, Tourism, Value added products**