What is Crafts Entrepreneurship? The Development of its Definition Through Entrepreneurs’ and Consumers’ Perceptions

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Abstract: Defining craft entrepreneurship has been a challenge for many scholars and researchers in different countries. Not only because of the multidimensional nature of entrepreneurship, but also because of the differences in national regulations setting boundaries for each sector of the economy. Thus, in some countries, craft is a part of the Creative Industries, but in others it is considered as an independent sector of the economy. Understanding what craft is and how craft products can be differentiated and defined has also been a daunting task. Thus, consolidating theoretical knowledge on entrepreneurship and craft entrepreneurship gained from the literature with the results of an empirical study carried out among craft entrepreneurs and consumers of craft products, this study aims to conceptualize craft entrepreneurship and to develop propositions for the definition of craft entrepreneurship by integrating the meaning attributed to craft entrepreneurship and its specifics by craft entrepreneurs with the perception and meaning assigned to craft products and services by consumers. This study applies qualitative methodology and data gathered using semi-structured interviews and open-ended survey questions. 20 craft entrepreneurs represent a perspective of entrepreneurs about entrepreneurship and its specifics in the craft sector, whereas 445 consumers reflect the opinion of the general public about craft and craft-related products. The results of the study indicate that craft entrepreneurship is undoubtedly connected to handmade products, national traditions, small ventures and craft markets and fairs, where craft entrepreneurs commercialize their produce. Although numerous scholars have already attempted to conceptualize craft entrepreneurship theoretically, the contribution of this study is in its integrated application of theoretical and empirical data reflecting the perspectives of entrepreneurs and consumers.

Keywords: craft, entrepreneurship, consumer, opportunity, definition.

Introduction

Entrepreneurship plays an important role in defining a country’s development as it has always been an influential and topical phenomenon in explaining economic development, job creation and social welfare (Reynolds, Hart, Mickiewicz, 2014; Baumol, Strom, 2007). Entrepreneurial activity is believed to be an important driver of transformation, change and development (Berglund, Johansson, 2007) and especially small creative companies, which are more energetic and innovative having the capacity to grow faster and create more jobs (Van Praag, Versloot, 2007). To support entrepreneurial actions, it is important to define what entrepreneurship is and how it happens. Therefore, scholars actively engage in discussions about definition, perspectives and measurement of entrepreneurship best suited for each given situation. Up to now, there is no common agreement in this area (Davidsson, 2015). In addition, there are different types of entrepreneurship proposed by eminent authors (Pret, Cogan, 2018). For example, social, sustainable and creative entrepreneurship among others, are defined as such because of the distinctive nature of entrepreneurial intentions and actions needed to produce different goods or services (Smagina, Lindemanis, 2012). Again, each of the types has its own features specific to a sector and type of entrepreneurship.

Crafting is currently experiencing a renaissance (Doreen, Thomas, 2017). New global trends indicate that the industrial economy is giving way to a new type of economy – one based on creativity, innovation, skills, experience and growing demand for authentic goods and services with high intangible value (Romantsev et al., 2016). This knowledge-intensive and resource-saving economy pushes forward a demand for skill-intensive, personalized labour and reveals the growing potential of the craft sector. In response to the constantly growing demand for products with not only functional characteristics but which is also aesthetically pleasing and emotionally engaging (Rintamäki, Kuusela, Mitroen, 2007), the necessity for entrepreneurship satisfying these new demands has emerged. This, in turn, initiated discussions regarding the necessity to differentiate craft entrepreneurship from other types of entrepreneurship (Culture Label Agency, 2014) and explore its specifics in more detail.
Overall, there are different specifications for professional activities in the craft sector. Some claim craft occupation is about manual work and functionality, although others argue it is about creativity, innovation, traditional skills and techniques used to produce craft objects (Risatti, 2007; Smagina, Ludviga, 2020). According to the Oxford dictionary craft is “an activity involving skill in making things by hand” or “work or objects made by hand” (LEXICO, 2019). Similarly, craft is defined in the Merriam Webster Dictionary as “an occupation or trade requiring manual dexterity or artistic skill” (Merriam-Webster, 2019). Traditional craft is hand-made, but the contemporary crafting process also includes machinery (Mečnika et al., 2014), although mostly limited to the use of hand-controlled machines only (Pöllänen, 2009). In crafting the degree of hand-made can vary, but there must be some features made by hand (Zulaikha, Brereton, 2011).

Research on craft entrepreneurship and craft entrepreneurs is scarce and fragmented (Gordini, Rancati, 2015) and there is a lack of a common understanding and definition of craft entrepreneurship. Thus, this study attempts to bridge this gap and offers additional insights into craft entrepreneurship.

This study aims to conceptualize craft entrepreneurship and to develop propositions for the definition of it by integrating the meaning attributed to craft entrepreneurship and its specifics by craft entrepreneurs with the perception and meaning assigned to craft products and services by consumers. To achieve this aim, theoretical knowledge available in the area and empirical data gained from the field have been used. As the definition of craft entrepreneurship consists of both – entrepreneurship and craft, an integrated approach is used to combine knowledge from different domains.

**Methodology**

Research on craft entrepreneurship is growing in popularity and many scholars have already made significant contributions to the field (Chua, Roth, Lemoine, 2015; Dalpiaz, Rindova, Ravasi, 2016; Lounsbury, Glynn, 2001). Therefore, it is important to integrate already available results and findings into the performed study. Thus, thorough literature review has been conducted to build a foundation for this study and to explore, conceptualize and define craft entrepreneurship. However, to explore the phenomenon in more detail and to enrich existent theoretical concepts in the field, this study introduced an empirical perspective. It was conducted by using qualitative research methodology to provide in-depth empirical evidence from the field. The empirical part of the study consisted of 2 parts, one reflecting the perspective of entrepreneurs and the other of consumers.

The first part presents the perspective of craft entrepreneurs. As part of the case study method, interviews with craft entrepreneurs were carried out to collect detailed data to investigate opinions and perceptions of entrepreneurs about craft entrepreneurship and its specifics (Yin, 2009). Personal interviews provided in-depth insights into the phenomena under investigation through the collection of data from real settings and reaching conclusions grounded in an actual situation (Flyvbjerg, 2004; Stake, 2000).

Each case study has been chosen to provide for a distinct view on the practices of craft entrepreneurs for different occupations, ages as well as types of business. The cases were selected according to the following criteria: the business venture is a legal entity registered in Latvia (for the purposes of this article), operating successfully in the craft business for at least 3 years. The founder of the venture or his/her venture is identified as belonging to the craft sector and the core activity of the venture (craft making) involves a significant input of manual labour. In selecting cases it was assumed that founders of craft business have economic (i.e., financial) objectives. Not-for-profit sector (i.e., charities, voluntary and public sector) organisations were not included in the research.

A purposeful sampling strategy was applied until theoretical saturation was reached. Cases of self-employed entrepreneurs as well as small and micro enterprises have been explored. Altogether, 20 case studies, representing craft ventures, established in Latvia, have been analysed. The selected cases include but are not limited to the following types of craft businesses: jewellery design and making; floral design; craft clutches and accessories; repair and renovation of roofs; furniture manufacturing and restoration; hand crafting and restoration of musical instruments; folk wear and accessory making; pottery; handmade porcelain; wool, willow processing and weaving; organic food, souvenirs, bakery.

During the interviews, entrepreneurs were asked about themselves, their ventures, as well as what they think of craft entrepreneurship and its distinctive characteristics. Interviews were carried out in the native language of the interviewees (Latvian or Russian). Thematic analysis as a method of analysing qualitative
data was used in this study to interrogate interview data with the purpose of examining craft entrepreneurs’ perceptions of craft entrepreneurship. The NVivo software programme was used to analyse and code the data to identify common themes craft entrepreneurs associate with craft entrepreneurship.

The second part of the study was to find out how consumers perceive craft and craft-related products. The survey consisted of an open question asking consumers how they perceive craft and craft-related products and what their primary associations related to craft products and services are.

**Theoretical Foundation**

Due to the growing interest in craft research activity related to it has grown (Pret, Cogan, 2018; Chua, Roth, Lemoine, 2015; Dalpiaz, Rindova, Ravasi, 2016; Lounsbury, Glynn, 2001). For the purposes of this study, a thorough literature review was carried out to find out how entrepreneurship and specifically craft entrepreneurship is operationalized and defined in the literature.

**Entrepreneurship**

Entrepreneurship is considered the vehicle for growth and prosperity of countries and nations (Birch, 1987; Baumol, Strom, 2007; Acs, 2008; Amorós, Cristi, 2008; Wennekers et al., 2010), and because of its importance, scholars put great efforts into scrutinizing it and trying to operationalize its definition to offer the most suitable explanation of the phenomenon (Wennekers et al., 2005). Indeed, entrepreneurship is a complex phenomenon (Gartner, 2001) and among the definitions available in the field there are those which imply that it is about competitive behaviours that drive the market process (Kirzner, 1973), creation of organizations (Gartner, 1990), revitalizing organizations (Ab Rahman, Ramli, 2014; Eroglu, Picak, 2011) or the introduction of “new economic activity that leads to a change in the market place” (Sarasvathy, 2000, 2, 11). Therefore, it is agreed that entrepreneurship brings change and transformation (Berglund, Johansson, 2007) and entrepreneurs as “agents of change and growth ailing market economy” (Ab Rahman, Ramli, 2014; OECD, 1998, 11) are the ones recombining resources and assuming related risk (Schumpeter, 1934).

There are many perspectives of entrepreneurship (Dincer et al., 2011) and researchers are debating whether it is about behaviour or outcomes; if it is part of the commercial sector or the not-for-profit one; if it is about large, small or individual ventures (Gartner, 1990; Hebert, Link, 1988; Kirzner, 1997). However, the very central role in the discussion is often given to the importance of opportunity (Venkataraman, 1997; Shane, Venkataraman, 2000; Dimov, 2011: Mitchell et al., 2004; Summattravat, Raudsaar, 2015), recognized by individuals who develop it into value-creating business ventures (Klyver, Hindle, Meyer, 2008; Reynolds, 2007; Spencer, Kirchoff, White, 2008). Besides, as mentioned by S.D. Sarasvathy entrepreneurship consists of ideas (Sarasvathy et al., 2010), beliefs and actions to introduce new economic activity, based on creation and exploitation of business opportunities (Davidsson, 2015), which is the very essence of entrepreneurship (Shane, Venkataraman, 2000).

Opportunities are “elusive” and opportunity recognition is the ability to identify a good idea and transform it into a business concept that adds value and generates income” (Lumpkin, Lichtenstein, 2005). There is no market for opportunities (Cuervo, Ribeiro, Roig, 2007) and therefore, an entrepreneur should have specific characteristics and competences to identify or create them as well as to develop and appropriate value (Cuervo, Ribeiro, Roig, 2007). In addition, S. Shane and S. Venkataraman (2000) suggest that entrepreneurship is not only about new businesses, but also about outcomes gained as a result of successful opportunity development. S. Shane suggested that opportunities could be viewed as situations which have economic and profit potential; thus, products and services have to be brought to the market at “prices greater than their cost of production” (Shane, 2000, 220).

**Craft entrepreneurship**

Although craftsmanship has existed for millennia, craft entrepreneurship, in comparison to mainstream entrepreneurship, is a relatively new domain of knowledge (Doreen, Thomas, 2017). Due to changing preferences of consumers for culture-based engagement and local handmade products and services rooted in local culture and tradition (Ratten, Ferreira, 2017) interest in craft entrepreneurship has steadily increased. This, on the one hand, indicates great potential for craft products but, on the other, underlines the need to study the specifics and peculiarities of craft entrepreneurship.
Entrepreneurship in the craft sector is distinguished by a different environmental setting, production of goods that are “cultural” by nature as well as work with people who are often more content driven than commercially oriented (Chaston, Sadler-Smith, 2012; Wennekers et al., 2010; Smagina, Ludviga, 2020). This usually leads to the creation of very small enterprises or self-employment that exists on the basis of more permanent networks and focus on the production of local handmade goods connected to tourism and local culture (Lounsbury, Glynn, 2001; Ratten, Ferreira, 2017; Tregear, 2005).

There are various perspectives related to studies of craft entrepreneurship (Gehman, Soublière, 2017; Giorgi, Lockwood, Glynn, 2015). For instance, G. Cochrane (1992) studied the creative capacity of craft studios, C.A. Popelka, M.A. Littrell (1991) explored craftmanship in connection to tourism - which is still one of the popular avenues for research in craft entrepreneurship (Evans, Shaw, 2004); while others examined it from the marketing perspective (Beverland, 2005; Clemons, Gao, Hitt, 2006), tourism and strategy (Verhaal, Hoskins, Lundmark, 2017), behaviour (Drummond, McGrath, O’Toole, 2018; Pret, Shaw, Dodd, 2016), value creation (Smagina, Ludviga, 2020) and collaboration (Bengtsson, Kock, 2000) among others.

Craft entrepreneurship is often discussed within the context of creative industries (Müller, Markworth, Söndermann, 2011), however some consider that it lies within the boundaries of cultural entrepreneurship (Jones et al., 2016; Ratten, Ferreira, 2017). Taking the importance and impact of the craft sector, researchers suggest treating it as an independent phenomenon (Gibson, 2016).

Understanding of what craft is has been changing over the years and there is still no common definition agreed in the area (Lucie-Smith, 1981; Dormer, 1997), neither for craft nor for craft entrepreneurship (Risatti, 2007; Tregear, 2005; Ratten, Ferreira, 2017). Some mention it is about manual work and functionality, while others argue it is about creativity, innovation and traditional skills and techniques used to produce craft objects (Risatti, 2007; Meņpika et al., 2014). One of the often-used definitions is that “craft involves the application of human skills and invested time” (Rosner, 2009, 1). A. Tregear (2005) refers to it as a process of making and selling products with high artistic value created as the result of application of manual work.

T. Fleming (2007), similarly to H.H. Stevenson and J.C. Jarillo-Mossi (1986) imply that one of the distinctive characteristics of craft entrepreneurs is the ability to recognize cultural and creative trends and opportunities (Bruni, Perrotta, 2014; Ramadani et al., 2019) and offer products, which are in line with consumer expectations and preferences (Cater, Collins, Beal, 2017). A. Biraglia and V. Kadile (2017) and add that this ability to operationalise such opportunities has a high probability to result in the creation of successful and sustainable business ventures (Danson et al., 2015). Likewise, R. Blundel (2002) and B.D. Mathias and A.D. Smith (2015) state that craft entrepreneurs are cautious in their choice of opportunities and they take only those opportunities, which fit their purpose. Definition, used by A. Kalinina (2016, 1) implies that craft entrepreneurship is a “small business or individual engaged in producing, transforming, or repairing goods without the use of machinery and not having more than five employees”. L. Baldacchino and C. Cutajar (2011) add that this business is usually small and limited to small-scale production.

C. Henry and A. De Bruin (2011) and J.A. Timmons (2008) suggest that the pursuit of opportunities, with available resources to produce creativity and culture-based products (Rae, 2007), is an engine of development and key to success (Chen, Yang, 2009) for the establishment of new enterprises in the creative and cultural sectors. S. Naidu, A. Chand, P. Southgate (2014) mention that for these enterprises to be successful, opportunity recognition is the first step, followed by its modification and adaptation to the demands and needs of consumers. T. Pret, A. Cogan (2018) suggests that craft entrepreneurs “carry out novel combinations that result in something new and appreciated in the cultural sphere”. These new combinations lead to the production of products “directed at the public of consumers, for whom they generally serve an aesthetic or expressive, rather than a clearly utilitarian function” (Hirsch, 1972, 641-642).

According to UNESCO (International symposium on…, 1997), craft products are made either entirely by hand or in combination with machinery; they have a significant manual input and are distinguished by a unique combination of creative, cultural and functional features. A craft product might combine characteristics of art and craft, thus, being aesthetically pleasing, conveying certain emotions and at the same time having functional characteristics and being made using traditional techniques (Pret, Cogan, 2018).

Y. Na (2012, 15) offers to define craft as “creative activity by humans whose aim is the aesthetic functional object, realized in its whole life cycle as a finished object, the practice of making process, and services”. T. Kennedy (2010) and F. Cominelli and X. Greffe (2012) emphasise the strong connection of craft and
skills acquired and passed through generations. Moreover I. Tweneboah-Koduah and C. Adusei (2016) highlight the special skills and talent of craft makers working with simple materials. A. Nascimento (2009) implies that craft products have an authentic nature and can be viewed as a part of cultural heritage.

In France, for example, the craft sector is focused on cultural heritage and based on 4 characteristics: know-how, hand-made, unique, and small series. It is defined in the following way: “It is an independent activity of production, creation, transformation, repair and restoration of heritage, characterised by hand mastery and techniques in relation to materials requiring an artistic contribution” (The Artistic Crafts..., 2014, 21). G.A. Pasteur (2004) emphasizes the historical, cultural, or aesthetic value of craft goods for local consumers.

**Results and Discussions**

Taking into consideration the different definitions and approaches to craft entrepreneurship presented in the theoretical part of this study, this section explores the meaning of craft entrepreneurship and perception from entrepreneurs’ and consumers’ perspectives.

**Craft entrepreneurs’ perspective on craft entrepreneurship**

All data were analysed in 2 steps – first, analysis and classification of the data regarding entrepreneurship and second, analysis and classification of the data regarding specifics of the craft sector and entrepreneurship in the craft sector. The figure below (Figure 1) summarises the first step of this thematic analysis.

The results of the study indicate that in line with the theoretical assumptions on entrepreneurship as opportunity development (Dimov, 2011), most craft entrepreneurs mentioned that entrepreneurship is about “opportunity” defining the whole process of entrepreneurship. As mentioned by one of the respondents: “one needs to spot the right opportunity and moment to launch my own venture”, while the other respondent indicated that entrepreneurs know how “to find new opportunities in a sea of competitors”. For others, the opportunity is connected to the possibility to “step into the unknown and start my own business”; “challenge myself and try earning from what I like”; “to realize my plans for self-realization and development” or an opportunity to “use the momentum and start selling things of my own making”.

Opportunity was mentioned in connection with owning your own business, own business venture, being your own boss and having the independence to decide and act, implying that entrepreneurs connect entrepreneurship with independence in terms of running their own business and taking decisions based on their own judgement and set priorities.

Very often, respondents mentioned an opportunity to start a business from their hobby and earn by selling their already created items, implying that entrepreneurship is not only about making, but also about the possibility to commercialize one’s talent and sustain their own business. During the interviews it was mentioned that, although craft entrepreneurs sometimes “get carried away with their own creation and making”, they do follow market trends and expectations of the consumers. Respondents indicated
that entrepreneurs produce their goods to “solve a problem of the consumer”, “address a need in the market” or “offer to consumers something they look for”.

Besides, many of the entrepreneurs interviewed indicated that creating impact is essential. Making and selling craft products and services allows them to not only receive a financial contribution but also to “make a difference” and “contribute to the promotion of national values, traditions and culture”.

During interviews with craft entrepreneurs about their perception of the specifics of entrepreneurship in the craft sector, several thematic categories of meanings were identified (Figure 2). Analysis of the data indicates that the most often mentioned meaning of craft entrepreneurship is connected to the specific type of products produced in the sector and the way it is produced. Most of the respondents indicated that they make craft products themselves and they are fully engaged in the whole process, from its production to commercialization. One of the respondents mentioned: “I make it all myself, with my own hands, and when I also sell it myself..., I know what story to tell to the customer”; while the other respondent added: “I do everything myself as in this way I have control over the process and quality and I know how to improve and develop my business”.

![Figure 2. Entrepreneurs’ perspective on the specifics of craft entrepreneurship.](image)

Besides, it was mentioned that entrepreneurs do differentiate craft products from mass-produced and they “put their soul and talent into it” and “make it in a limited number or tailor-made”. Several entrepreneurs mentioned the “unique” nature of the products and the specific process of making. Some of the respondents mentioned that “an old, traditional technique is used to make the products”, “national symbols are used to make it Latvian” or “specific knowledge and skills are needed to make it authentic and valuable”. Other responses of the interviewees highlight the creative abilities of the craft makers. Some of them mentioned that craft is about inspiration, design, art and aesthetics: “My motivation to create and introduce creative designs is fully realized in my own business”.

Another interesting trend in craft entrepreneurship is about the fact that many of the entrepreneurs start their business out of their hobby or interest in a specific field or family traditions. As said by an interviewee: “I learned it from my parents, I knew the process perfectly well, so I had no doubts I can do it myself”. A respondent from the jewellery making business implied that “I was making it for myself, my friends, relatives, etc., and then, they offered to pay me for making presents for their friends...it encouraged me to start my own business”.

Many craft entrepreneurs mentioned that in contrast to business entrepreneurs, craft entrepreneurship sometimes can be called “accidental”. It implies that individuals become entrepreneurs without prior intention to do so and everything happens accidentally (not planned in advance); sometimes with the help
of friends or family members suggesting to “give it a chance”; or sudden realization there is an opportunity to take: “I suddenly realized I can earn my living by doing what I like”. However, for some entrepreneurs, it takes some time for the opportunity to be shaped into business: “I kept doing it in my spare time, until I decided to give it my full time, attention and determination”.

In addition, respondents implied that due to the handmade nature of craft products and the intensive labour needed for this purpose, craft entrepreneurs are often self-employed or run small-scale businesses which have limited capacity for efficient commercialization. Many craft entrepreneurs rely on specific events and craft markets, organized by local authorities; or national festivities attracting many local people and tourists interested in craft. Although, it was also mentioned that participation in such events requires craft entrepreneurs to actively engage with the community and consumers: “I talk to my clients, tell them my stories and try to engage them in the process. It helps me to sell my products and encourage clients to recommend it to others”.

Altogether, the wide range of different meanings captured from the data related to entrepreneurs’ perception of craft entrepreneurship serves as a useful insight into one perspective on the phenomenon, however, to gain more comprehensive overview of craft entrepreneurship, it will be complimented with analysis of the data gained from a different perspective – that of craft consumers. The following section of this study illustrates how consumers perceive craft and craft-related products and what they associate it with.

**Craft consumers’ perspective on craft and craft related products**

To explore how consumers perceive craft and craft related products and what associations they have, the second part of this research is based on the results obtained from the survey, which included an open-end question asking respondents their perceptions and associations connected to crafts and craft-related products. The survey was administered via the Webropol survey software program in three languages (Latvian, Russian and English) and 445 valid responses were received. Table 1 presents the demographic data of respondents.

<table>
<thead>
<tr>
<th>Language of the survey</th>
<th>gender</th>
<th>nationality</th>
<th>country of residence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>male</td>
<td>female</td>
<td>Latvian</td>
</tr>
<tr>
<td>Latvian (n=283)</td>
<td>19</td>
<td>264</td>
<td>265</td>
</tr>
<tr>
<td>Russian (n=99)</td>
<td>7</td>
<td>92</td>
<td>25</td>
</tr>
<tr>
<td>English (n=63)</td>
<td>32</td>
<td>31</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
<td>387</td>
<td>296</td>
</tr>
</tbody>
</table>

Most of the respondents indicated they reside in Latvia, although the vast majority of respondents who filled in the survey in English were from other EU countries (the UK, Ireland, Germany, France, The Netherlands among others). All respondents had experience of purchasing craft products: 6% indicated they purchase crafts once a week; 28% once a month; 48% once in three months and 18% purchased craft products or used services only once or twice.

Due to the fact that the survey was administered in English, Latvian and Russian and responses were collected in the 3 languages, this study addresses each group of respondents separately before consolidating the data and drawing overall conclusions. Responses were translated to English to analyse the data. The text mining method was used to process it and visualize the findings. The results of the data analysis using the text mining technique are presented in Figure 3 (for survey in Latvian), Figure 4 (for Russian) and Figure 5 (for English).

According to the results visualized in the word cloud of responses in the Latvian language (Figure 3), most often mentioned words were the following: *handicraft* (the most frequently used association mentioned by 28% of respondents); *weaving* (mentioned by 11%); *clay* (mentioned by 7%); *beautiful* (mentioned by 6.4%) and *wood* (mentioned by 5.2%). In addition, results of the word map indicated that respondents associate craft with the following craft products: *buckets, jewels, socks, ceramics, wood crafts, and others*. Regarding the word map, it is important to notice that consumers tend to associate craft with the *quality, beauty, natural materials and products made by hand* through the application of *craftsmen’s talent, inspiration*.
and emotions. Besides, as evidenced by the word cloud, craft products are associated with small craft markets, festivities and unique and authentic products expressing craftman devotion and personal interest.

“Craftsmen, history, heritage”, “Ancestral traditions”, “Old skills, traditions”, “Ancestral art”
“High-quality handwork, the heart of the product maker. Handicraft products are a kind of preservation of cultural heritage in the era of industrial production.”
“Clay products, ceramics, markets”, “Clay pots, wooden products, knitwear”, “Baskets, toys, earthenware, linen dresses”
“Handmade by skilled people”, “Handmade with love”, “Huge handwork invested! Originally, radiates a positive aura”, “Only one copy individually, in particular, by hand.”
“An authentic product made at home, corresponding to the given environment and culture”
“Antiquity, care, creativity, talent, opportunity and ability to realize your heart’s work in tangible things and objects.”

Figure 3. Word clouds and samples of consumers’ statements (survey completed in Latvian language; n=283).

The results of the survey in the Russian language (99 responses) suggested a slightly different perspective of consumers. The word cloud and citations of the responses are presented in the Figure 4.

“Handmade, the first picture in the associative row is a rake, agriculture and blacksmiths”.
“High level handicraft”, “Handmade, but the first picture in the associative row is a rake, agriculture and blacksmiths”, “Everything that is done by hand”, “Hand-made”.
“Products were made by hand from natural materials, beads, etc.”
“Products of folk art”, “Creativity art”, “Talent from God”, “Creativity and profession”.
“Street markets with products of folk craftsmen”.
“Beauty and quality”, “Quality and durability”.

Figure 4. Word clouds and sample statements (Survey completed in Russian language; n=99).

The results of the responses in the Russian language reflect a similar perception of craft products, although with the slight difference in relation to the type of products offered by craft makers. Handiwork in various associations was mentioned by 48 % of respondents. Most of the respondents associate craft with souvenirs, toys, ceramics, household items, wood craft and antique products. Many of the respondents mentioned creation, design and authentic nature of products. Furthermore, the results of
The word map illustrates that craft is closely connected to the natural materials, uniqueness and quality. It is also important to note that respondents mentioned work at home, hobby and artistry.

The results of the responses in the English language (63 responses) are presented in Figure 5. The responses of those who completed the survey in English are consistent with the results of the other surveys, thus, also mentioning handiwork (mentioned by 8%) and authentic nature of the craft. However, the results of the word map presented a broader perspective of associations. Interestingly, respondents of the survey in English, more than those in Latvian or Russian, associate craft with small (mentioned by 13%), arts, design and innovation (mentioned by 6.4%). Results indicate that passion, creativity and lifestyle are closely connected to the craft. Moreover, respondents also mentioned traditions, culture, creative individuals and identity suggesting that craft is associated with cultural heritage, community, local traditions, lifestyle and well-being.

Comparing the word clouds, it is evident that they are to some extent similar since handiwork is emphasised in all. Still, several minor differences exist. Responses in Latvian stress the importance of culture, heritage, and tradition more than others. This is in line with T. Pret and A. Cogan (2018), who suggested that craft entrepreneurs’ success relies upon heritage and tradition. Prior research has shown that culture and history play a significant role in shaping craft entrepreneurship (Esposti, Fastigi, Viganò, 2017; García-Rosell, Mäkinen, 2013) and craft business relates to handmade products and services rooted in local culture and traditions (Ratten, Ferreira, 2017). Moreover, G.A. Pasteur (2004) emphasizes the historical and cultural value of craft products. Several studies have highlighted the importance of the different nature of craft products (Pret, Cogan, 2018; Verhaal, Hoskins, Lundmark, 2017).

Responses of those who completed the survey in English draw attention to creativity and innovation. This echoes with A. Bruni and M. Perrotta (2014) show that craft entrepreneurs “find creative ways to discover and exploit opportunities”. Similarly, H. Risatti (2007) argues that craft is about creativity and innovation in combination with traditional skills and techniques.

**Definition of craft entrepreneurship**

Integration of the results from the literature review on entrepreneurship and specifics of craft entrepreneurship with the results of the empirical findings presented above resulted in proposing the following definitions of craft entrepreneurship:

a) craft entrepreneurship is an opportunity pursuit through the establishment and development of a business venture of appropriate value, created through the application of handwork sector...
specific knowledge, skills and traditions;

b) craft entrepreneurship is the result of an opportunity developed through the application of a craftsman’s mastery, creativity and commitment to create a specific type of value reflecting his or her personality and vision;

c) craft entrepreneurship is a process of value creation and appropriation through opportunity development in the craft sector.

Conclusion, Limitations and Future Research

Undoubtedly, entrepreneurship is a key economic engine and especially small companies, which are more energetic and innovative, have this capacity to grow faster and create more jobs (Van Praag, Versloot, 2007; Florida, 2003). These companies facilitate technological progress and innovation as well as create an impact on different levels of the economy. In this sense, exploring craft entrepreneurship is important to facilitate its development and growth. Although available literature provides an initial insight into the area under investigation, empirical studies combining different perspectives and mixed research methodologies in this field are scarce.

This study responds to the call to address this research gap. By categorizing the meanings associated with crafts on a general level, this study aimed to provide a deeper insight into the specifics of the craft sector and add to the understanding of entrepreneurship in the craft sector. As evidenced by the results of the study, craft entrepreneurship is associated with opportunity development in a specific context. Craft entrepreneurship is about self-employed craft makers or small companies established in the craft sector with the objective of commercializing the creative endeavours and personal expression of the makers reflected in the created value of handmade and authentic produce, often made from local natural materials.

This study offers both theoretical and practical contributions. From a theoretical perspective, this study contributes to the conceptualization of craft entrepreneurship and offers several propositions for defining craft entrepreneurship. From a practical perspective, this study contributes to the practical insight into the realities of the craft sector and allows analysis of consumer perceptions of craft products. The availability of this information can help craft practitioners and entrepreneurs to better communicate the value of their offer as well as commercialize it in a more efficient manner.

The limitations of this study can be attributed to the relatively small number of case studies used to explore the perspective of craft entrepreneurs as well as subjective interpretation and conceptualization of the data.

Future research on craft entrepreneurship might include studying it from other perspectives such as marketing, strategy, commercialization, financial and state support among others. Future research is also encouraged to investigate the contextual embeddedness of craft entrepreneurs.

Bibliography


