



# 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 a handicraft cluster in southern India, this paper reports on a study of when and why people who identify with their work might sacrifice financial rewards in their economic decisions. Based on findings from ethnographic fieldwork, I hypothesize that the monetary value that individuals who identify with their work seek for their output depends on their audience: when they 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 propose that the mechanism underlying this behavior is product attachment: people who identify with their work develop affection for the output of their labor and prefer to transact with audiences who will take care of their products beyond the point of sale, even if doing so results in lower monetary rewards. I substantiate this theory with a field experiment by demonstrating that handicraft artisans in India who identify with their work sell their products at different prices to discerning and non-discerning groups of buyers. 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 product attachment.

**Keywords:** markets, work, economic sociology, artisans

Work is a central part of economic, cultural, and social life. In addition to being an essential activity for many people to assure an economic livelihood, work is also a key source of enjoyment, fulfillment, and self-realization. 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), meaningfulness

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of work (Rosso, Dekas, and Wrzesniewski, 2010; Pratt, Pradies, and Lepisto, 2013), a calling orientation to work (Bunderson and Thompson, 2009), and unalienated labor (Marx and Engels, 1902; Braverman, 1974). I use the term “identification with work” here to refer to the idea of work being a labor of love.

Prior research has established that when individuals identify with their work as a labor of love, they make a number of distinct work-related decisions. For example, they have self-set standards of excellence that drive them to perform their best at all times (Faulkner, 1971), and they voluntarily work long hours (Hackman and Oldham, 1980; Wrzesniewski et al., 1997). But studies have produced mixed evidence on how people who identify with their work monetize their work output. Because most work is ultimately sold for financial rewards, assigning a monetary value to the output of their labor is one of the most important decisions that workers make.

Some scholars have argued that when individuals identify with their work, they are intrinsically motivated and care less about material rewards, thus accepting lower returns as long as they can continue performing the work that they love (Deci, Koestner, and Ryan, 1999; Scott-Morton and Podolny, 2002; Velthuis, 2005; Wherry, 2008; Bunderson and Thompson, 2009). Though this view has received much support in the literature, other scholars have argued that even people who are deeply connected with their work may seek competitive returns for their work output when their economic needs are substantial or when they view economic rewards as validation of their accomplishment and mastery (Bourdieu, 1993; Cameron and Pierce, 1994; Brief et al., 1995; Vohs, Mead, and Goode, 2006; Eikhof and Haunschild, 2007). Thus the literature has produced mixed evidence as to whether people who identify with their work sacrifice financial gains in monetizing their work. Given that over 40 percent of workers in the global economy are employed in the “creative class” of occupations in which they may experience some identification with their work (Florida, 2002), it is crucial to revisit this question to better understand the economic implications of individuals’ relationships with their work and thereby advance our understanding of how markets with such workers function.

Therefore, in this paper, I study how a group of creative workers who strongly identify with their work set prices for the output of their labor, asking under what conditions they sacrifice financial rewards in monetizing their work output and why. In particular, one factor influencing the pricing decisions of people who identify with their work may be the audience consuming this 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 any consideration of audiences. When individuals who identify with their work encounter discerning audiences—those knowledgeable about and appreciative of their work—they may de-emphasize financial gains and set below-market prices. When the same individuals encounter non-discerning audiences who are otherwise similar, however, they may seek to maximize their financial gains by setting market prices. Further, underlying this variation in prices to different audiences may be these individuals’ attachment to the output of their labor.

To explore whether and why audiences might matter, I study price-setting behavior among two groups of sellers—artisans and traders—in a handicraft cluster in southern India called Channapatna. Artisans in Channapatna, who independently design, produce, and sell handmade wood and lacquerware

products, including 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 different types of buyers. I additionally compare the price-setting behavior of artisans with traders, another group of sellers in this setting, who sell the same handmade products but are not involved in the creative production process. The traders provide a useful counterfactual to the artisans because they have a more means-to-an-end relationship with their work and products. Following the full-cycle research model (Fine and Elsbach, 2000), I draw on eight months of ethnographic fieldwork, a field experiment, and two rounds of survey data collection to conduct this study.

## HOW DO INDIVIDUALS WHO IDENTIFY WITH THEIR WORK SET PRICES?

### Implications of Identification with Work

Research describing identification with work can be traced back to Marx's theory of labor, in which self-actualization through one's work is considered a major factor distinguishing work as a non-routine endeavor from labor as a routine and alienating activity (Marx and Engels, 1902; Elster, 1985). Identification with work is theorized as representing an individual's own volitional desire to creatively apply oneself and one's skills toward completing a particular task from start to finish, which can lead to a unique form of satisfaction (Deci and Ryan, 1985; Ryan and Deci, 2000). Recently, scholars have demonstrated that workers in a variety of jobs and contexts, including artists and artisans (Velthuis, 2005; Wherry, 2008), cooks (Fine, 1996), and scientists (Stern, 2004), can experience identification with their work.

Scholars have further documented that when people identify with their work, they display distinct work-related attitudes and behaviors. For example, workers who identify with their work pay inordinate attention to the aesthetics of their work, are more motivated to start new projects, have lower levels of absenteeism, and have better job performance (Fine, 1992; Amabile et al., 1994; Wrzesniewski et al., 1997). Though existing research has extensively documented the impact of meaningful work on work-related behaviors, empirical research on the relationship between identification with work and economic decisions offers conflicting observations.

A number of studies from diverse fields have suggested that when people identify with their work they care less about material rewards and that material gains might even crowd out their intrinsic motivation (Frey, 1997). For example, some scientists are so attached to the process of developing original research that they choose to work for lower-paying firms that allow them to pursue and publish their independent research (Stern, 2004). 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 in other jobs (Bunderson and Thompson, 2009).

In contrast, other scholars have argued that even individuals who identify with their work pursue monetary rewards (e.g., Brief and Nord, 1990; Rosso, Dekas, and Wrzesniewski, 2010). Some scholars have argued that work is an economic necessity and that monetary concerns supersede all others (Freidson, 1990; Bourdieu, 1993). For example, performers prioritize the

allocation of their time and energy to films over theater productions because there is more money in the movies (Eikhof and Haunschild, 2007). Other scholars have suggested that seeking high economic rewards may be a natural objective for people who identify with their work as validation of their accomplishment and mastery (Cameron and Pierce, 1994). Social commentators appreciate high book royalties and performance fees, expressing pleasure that “they get paid for doing what they like to do” (Dickinson, 1989: 12). Thus there is mixed evidence in the literature as to whether individuals who identify with their work sacrifice financial gains in setting a monetary value for their work.

To understand when and why people who identify with their work sacrifice financial rewards, examining the context of their price-setting behavior might be instructive. In particular, two considerations that may affect how people set a monetary value on creative output that have thus far been absent in the literature may be the audience consuming the work output and the workers’ relationship with their own output.

### **Audiences in Cultural Production and Attachment to Products**

Scholars of cultural production have shown that in a variety of creative markets, producers have to choose between catering to a commercial versus a non-commercial audience (Velthuis, 2005; Zelizer, 2005; Wherry, 2008). The commercial audience consists of non-discerning masses, whereas the non-commercial or artistic audience consists of discerning experts—fellow artists, critics, and other connoisseurs (Becker, 1951; Bourdieu, 1993; Caves, 2000). The non-discerning audience is understood as lacking knowledge of the cultural activity, while the discerning audience is known to pay close attention to how the cultural product is assembled, including the skill and technique displayed in the execution of the particular solution (Caves, 2000). Despite cultural producers’ preference for knowledgeable, discerning audiences, they must often cater to the general, non-discerning audience because it is often larger, thus offering substantial rewards in terms of steady work and higher income (Faulkner, 1983).

The literature on cultural production thus lays out two circuits for cultural producers: going commercial and making a substantial income by catering to non-discerning audiences, or pursuing artistic success by catering to discerning audiences and focusing less on financial gains. The literature also suggests that most cultural producers pick one audience in order to maintain a consistent public identity and achieve success in their careers (Zuckerman et al., 2003): jazz musicians rarely become commercial musicians and vice versa (Becker, 1951).

Though choosing one audience may be necessary in performance-based cultural markets such as music and film, it may be less so in non-performance-based cultural markets such as art (Velthuis, 2005) and in many non-cultural markets such as computer programming (Mollick, 2013), in which workers often encounter both discerning and non-discerning audiences. The existing literature has paid little attention to situations in which workers encounter a variety of audiences, often one on one, in the course of their work life, thus providing workers with the opportunity to adapt their economic behavior to the specific audience at hand.

The literature also has little to say about the mechanism that causes the economic behavior of people who identify with their work to vary with their different audiences. Apart from individuals' relationship with their work, also important may be their relationship with their work products. Scholars of consumer behavior have argued that consumers can become attached to the products they own: possessions can take on emotional significance and meaning for consumers independent of the products' market value (Belk, 1988; Wallendorf and Arnould, 1988; Ball and Tasaki, 1992).<sup>1</sup> Researchers have defined consumers' attachment to products as the strength of the emotional bond a consumer experiences with a product (Csikszentmihalyi and Halton, 1981; Kahneman, Knetsch, and Thaler, 1990; Halle, 1996; Schifferstein and Zwartkruis-Pelgrim, 2008) and have shown that when someone becomes attached to an object such as a car or piece of furniture, he or she is more likely to handle it with care, repair it when it breaks, and postpone its replacement for as long as possible (Mugge, Schifferstein, and Schoormans, 2005, 2010). If consumers can grow attached to a product and have attachment affect how they treat the product, it is reasonable to expect that the producer of a product could grow attached as well and that such attachment might affect the producer's behavior when bringing the product to market. In this paper, I examine creative workers' relationship with their products and how this affects their price-setting behavior to both discerning and non-discerning audiences.

## FULL-CYCLE METHODOLOGY AND FINDINGS

I adopted a full-cycle research approach, which combines inductive and deductive methodologies (Cialdini, 1980; Fine and Elsbach, 2000). It begins with ethnographic observation to identify puzzles and generate hypotheses close to the field, followed by experimental tests of the hypotheses, and finally further field data collection to enhance understanding of the experimental results (Chatman and Flynn, 2005). Though the full-cycle approach has been described theoretically, this is one of the few studies to date to implement it in practice. I first conducted an eight-month ethnography that led me to design and conduct a field experiment, and then I conducted two surveys to explore mechanisms underlying the experimental results. See table 1 for a summary of my full-cycle research process.

### Setting: Channapatna Craft Cluster

The setting for this study was the south Indian town of Channapatna, where there is a 300-year tradition of producing organic wood and lacquerware handicraft products, such as toys, household objects, and jewelry, using naturally grown wood and vegetable dyes. About 10 percent of Channapatna's 60,000 inhabitants sell handicraft products. There are two kinds of sellers: artisans and traders. Artisans make these products themselves and sell them locally from their workshops. Traders are not involved in the production process but source products from artisans and sell them in larger volumes locally, as well as in

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<sup>1</sup> Similar arguments are made in the organizational research on employee identification (Anteby, 2006; Elsbach, 2009; for a recent review, see Miscenko and Day, 2016), but this research is less applicable to self-employed workers who don't work in an organizational context.

**Table 1. Summary of Research Process**

Ethnographic fieldwork (June–Aug. 2011, Nov. 2011–Mar. 2012)	Field experiment (May 2012)	Survey 1 (June 2012)	Survey 2 (June 2015)
<b>Data</b>			
Thick description of artisans' (and traders') work and economic lives in Channapatna	Prices charged to different buyers Transaction controls: Availability of electricity, stock left, presence of seller's spouse	Seller controls: Age, work tenure, religion, income, education, neighboring seller density, distance from highway, visits to Bangalore Financial data: Bangle cost GPS data: Location of sellers	Product attachment Perceived willingness to pay of buyer categories Perceived discernment of buyer categories
<b>Analysis</b>			
Developing hypotheses about when and why individuals who identify with their work sacrifice financial rewards in setting prices.	Testing whether audience discernment moderates the salience of financial gains for individuals who identify with their work.	Testing whether the mechanism underlying creative workers' price-setting behavior to different audiences is product attachment.	Validating the market price and product attachment measures.

wider markets through retail establishments. As shown in table 2, both groups are similar on most demographic variables, except that traders are slightly more educated, are more likely to be Hindu rather than Muslim, and have higher incomes. This paper focuses on artisans, using traders as a counterfactual group.

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 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, an artisan uses a gamut of hand-held chisels. Once a piece of wood has been carved into the desired shape, artisans sand the wood and then apply layers of lacquer for color. 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. The production process is outlined in figure 1.

Artisans retail their handmade products from their workshops and advertise using signboards painted with their name or the name of their business. When a buyer enters a workshop, the artisan stops working and fetches a basket of finished goods from his house to sell.<sup>2</sup> Artisans also sell their products to traders in the area and in different regions. Thus artisans are deeply involved in every process of the value chain from acquisition of the raw wood to crafting it on a lathe machine, to polishing and painting it, to selling the finished product to a buyer.

<sup>2</sup> I use masculine pronouns when describing artisans and traders because less than 10 percent of Channapatna's artisans are female and none of the traders are female.

**Table 2. Comparison of Sellers' Characteristics\***

	Artisan	Trader
Percent male	0.92 (0.27)	1 (0)
Age	42.65 (9.91)	46 (9.58)
Work tenure (years)	23.71 (10.13)	19.32 (17.54)
Number of family members	6.42 (4.42)	5.83 (2.15)
Percent married	0.94 (0.23)	1 (0)
Percent Muslim	0.77 (0.42)	0.13 (0.34)
Percent backward castes	0.88 (0.32)	0.83 (0.39)
Years of education completed	6.79 (3.47)	10 (3.52)
Percent literate	0.88 (0.32)	0.96 (0.21)
Exhibitions attended/year	1.29 (1.73)	2.20 (1.09)
Visits to Bangalore/month	3.24 (2.32)	2.45 (1.54)
Radio listening hours/day	4.67 (2.37)	3.20 (3.68)
Income in dollars	77.39 (50.18)	155.20 (85.53)
Fraction in cooperatives	0.29 (0.46)	0.26 (0.45)
Observations	52	23

\* Mean coefficients; standard deviations are in parentheses. 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. Backward castes include scheduled castes (SC), scheduled tribes (ST), and other backward castes (OBC) as defined by the Indian constitution.

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. Unlike artisans, however, traders do not experience the transformation of the craft product from its raw, crude form to its final, refined state.

### Ethnographic Observation

I began fieldwork for this project in June 2011. I stayed at a small lodge in Channapatna that was close to both artisanal localities and trading establishments. Both artisans and traders welcomed me into their homes, making access straightforward. During the day, I observed artisans and traders at work, paying special attention to their selling process and how they interacted with different buyers. I also observed artisans' creative decision-making processes,

**Figure 1. The work process of handicraft artisans in Channapatna.**

including how they chose colors and patterns, and traders' inventory management processes. In the evenings and over meals, I talked with artisans and traders about the day's work and events (Spradley, 1979). In addition to 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 pool of local people. I carried a visible notebook from the beginning and let artisans and traders see me jotting notes at all times.

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, the state capital, typing up field notes, writing memos, and making sense of the emerging data. Fieldwork included intensive participant observation of the artisans' and traders' day-to-day work, including observation of over 60 artisanal workshops and visits to more than 30

trading establishments. I also conducted 22 formal and 50 informal interviews with artisans and traders I met during 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, 1980). The interviews were conducted in Hindi and lasted one hour on average. Each interview was digitally recorded, and after every interview I recorded my impressions of the interviewee and his house, workplace, and family members.

I inductively analyzed the open-ended data, comprising over 500 pages of field notes and interview 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 work, products, and audiences. In my data coding, I associated text passages with one or more codes, such as appreciation for artistic quality, creativity, and attitude toward money. In this way, the theorizing and analysis of the data proceeded iteratively.

### **Ethnographic Findings and Hypothesis Development**

First, providing a baseline that helps us understand market behavior in the absence of identification with work, are the data I collected on traders' orientation to their work, the products they sold, and the buyers they encountered. I observed that traders, like prototypical shopkeepers, displayed competitive market behavior, pursuing work for its material benefit rather than for other kinds of fulfillment. 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. 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 were not involved in the creative work of designing and making the products they sold and therefore did not establish a deep connection with individual pieces. One trader, revealing his limited attachment to his products, said, "Today I sell one thing, tomorrow another, it's all the same." I further observed that although traders paid attention to the different buyers entering their shops and purchasing their products, this focus centered on buyers' willingness to pay in order to extract the highest price possible. As one trader said, "Of course I think about how much each buyer will pay . . . and [I try to] sell for the highest price. Why else would we work? People steal also, for money only. . . . Even the cocks wouldn't wake up in the morning without money."

These data reveal that traders adopted competitive market behavior and set market prices for their products. Online Appendix A (<http://journals.sagepub.com/doi/suppl/10.1177/0001839217725782>) elaborates on traders' work practices in more detail. In contrast, my fieldwork revealed that artisans identified strongly with their work of making and selling their creative output, harbored feelings of attachment toward their handicraft products, and sometimes

became so attached that they sought buyers who would take care of their products and offered such buyers discounted prices.

**Artisans' identification with their work.** Artisans exhibited a distinctive orientation toward their work, which had value and meaning in itself, beyond the output or profits that resulted from it. Artisans frequently described loving 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."

Artisans developed devotion toward their craft, 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 line with this, I observed artisans treating their tools like idols in a temple and worshipping them by offering flowers and lighting incense sticks.<sup>3</sup> Similarly, artisans would go to extreme lengths to ensure that their machines and tools were kept clean, a practice motivated not just by efficiency concerns but by artisans' desire to ritually honor their work.

Artisans were also willing to make sacrifices for the sake of their work, particularly when it came to personal health. For example, I noticed that artisans did not use protective eyewear even though splinters and wood chips flying from their lathes could get lodged in their eyes. This decision was not motivated by cost, access, or ignorance. Instead, the matter seemed to be one of trading artistry for safety. As one artisan I interviewed said, "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." Also, there was not one workshop where I observed an artisan with footwear. The workplace floor was typically covered with a thick layer of sawdust and wood splinters, which would seem to require the use of footwear lest the craftsman's feet become cut and bruised. But because artisans treated work like god, and owing to Indian religious customs that deem footwear inappropriate in a place of worship, artisans did not cover their feet. When asked why he doesn't wear footwear, one artisan replied, "Do you wear *chappals* [footwear] inside the house of god?"

Further, artisans had high self-set standards of excellence for work. These standards did not come from some handbook or recipe but were derived from artisans' unwavering pursuit of beauty, which they sought to enact by demonstrating mastery over their raw materials and their machines. One 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 it's 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 standards. Several interviews that I conducted highlighted artisans' disapproval of traders' importation of the Chinese machine-made, plastic replicas of local handmade products that were beginning to flood the Channapatna market.

**Artisans' product attachment.** My fieldwork also revealed that artisans harbored strong feelings of attachment toward the handicraft products they made.

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<sup>3</sup> Muslim religious practice in India shares common rituals with Hinduism.

I observed that by participating in a painstaking production process that combined traditional craft knowledge and novel creative expression, artisans developed a special relationship with the pieces they made and cared deeply about them. I label this seller–product relationship “product attachment.” Artisans in Channapatna treated the products they made like their own babies, part of their embodied selves, bestowing these products with love and showering them with attention. 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.” 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.”

I additionally observed that some artisans were more attached to their products than others, which seemed to stem from artisans’ varying levels of investment in their products. Inductive analyses revealed that artisans who were more involved in the work process and those who had a higher level of creative engagement with their work were more attached to their products than other artisans.

*Work process involvement.* I observed that artisans who were more involved in their production process and performed their work from start to finish had greater product attachment. Though the majority of artisans in this study 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 local suppliers or outsource preparatory or finishing processes. I observed that when artisans were more involved in the production process, they invested more effort in their products, spent more time with them, and developed a stronger emotional connection with them. One artisan said, “The more I sweat, the more I love [my product].” Another 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.

*Creative engagement.* I observed that artisans who had a higher level of creative engagement with their work also had greater product attachment. When artisans created innovative products and introduced new designs, I observed that they became especially emotionally attached to their “babies,” so much so that sometimes they wouldn’t sell these products at all. This seemed to be a widespread practice, as evidenced by the fact that on my first visit to most artisans’ homes, they invariably fetched for my viewing a handful of unique artifacts they had made that were not for sale. I also observed artisans sometimes offering their most creative products to their “gurus,” senior artisans from whom they had learned their trade. An artisan described this practice: “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].” Work process attachment and creative engagement can thus be seen as indicators of product attachment, which

could help explain how product attachment might affect artisans' economic decision making, including how they set prices.

**Artisans' buyer preferences and price setting.** My fieldwork further suggested that artisans' identification with their work and their level of product attachment influenced how they sold their products and specifically their buyer preferences. They valued finding the right buyer for their product—one who would take care of their product, appreciate its value, and display it in aesthetically pleasing ways—more than simply finding a buyer who would pay a hefty price. Describing his preferences for discerning buyers, one artisan said, "I want my product to be displayed well in the customer's home. . . . I don't want it 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."

I observed that artisans offered discounted prices to buyers they perceived as discerning, as these buyers were rare and the artisans were keen to sell to them. This pricing behavior did not, however, extend to non-discerning buyers. Thus artisans needed a way to distinguish discerning buyers from non-discerning ones. By paying attention to the kinds of buyers that artisans and traders in Channapatna encountered, I found that there were three distinct groups used by artisans as a heuristic to determine their level of discernment and to set prices accordingly. The first, which I call Indian-baseline buyers, includes Indian buyers from the region around Channapatna who looked and dressed like locals, wearing polyester Indian attire and plastic jewelry and carrying synthetic handbags. Channapatna's artisans considered buyers in this group to be non-discerning and charged them competitive prices. As one artisan said of these buyers, "It is more hassle dealing with them. They check every item [for cracks], doubting my skill. . . . So I have to be firm with them—once it [the price] is fixed, it is fixed."

The second category, which I call Indian-craft buyers, likewise includes Indian buyers native to the region, but they wore handmade products, including craft jewelry and handwoven Indian attire, and carried natural fiber handbags. These buyers signaled appreciation for handmade products and were seen as discerning. While I was doing fieldwork, on days when I happened to wear handmade 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 was an Indian-craft buyer. I noticed that I often received lower prices than other tourists at such times.

The final category, international buyers, consisted of foreign tourists who had chosen to shop for handmade products in the remote town of Channapatna. These buyers conducted their transactions in English, looked discernibly wealthy, had lighter skin color than other buyers, and wore Western clothing. Artisans saw them as having a keen interest in Indian handicrafts and thus considered them discerning. Notably, I observed that international tourists too, despite their willingness to pay more, were offered discounts. One artisan explained why he liked selling to foreign buyers: "Our necklaces, which are brightly colored, look good with a white shirt and usually foreigners know to wear this combination; then the necklace shines."

In seeking to understand when and why individuals who identify with their work sacrifice monetary gains, my observation of Channapatna sellers' price-

setting behavior suggested two important relationships. The first concerns the conditions under which individuals who identify with their work sacrifice financial rewards. My fieldwork suggested that when workers encounter both discerning and non-discerning audiences, they behave non-commercially by de-emphasizing financial rewards for discerning audiences and commercially by prioritizing financial rewards in exchanges with non-discerning audiences. This leads to the following hypotheses:

**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.

An important question then remains: why do people who identify with their work care so much about transacting with discerning audiences that they offer them discounts? Again based on my observations, I theorize that product attachment is the key explanatory variable: people with high levels of product attachment want their work products to be handed over to discerning audiences who will appreciate, respect, and take care of their products. I observed that the pricing pattern described above is magnified among workers who are the most invested in and attached to their products, suggesting that the mechanism underlying artisans' prices to different audiences is product attachment. In line with this, I hypothesize:

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

I next implemented an experiment that captured artisans' pricing pattern across experimentally manipulated categories of buyers to test these hypotheses. The experiment also compared artisans' pricing pattern with traders' prices to analyze how artisans' prices to different buyers deviate from standard market pricing.

## Experimental Methods

I used a field audit design to study price setting in Channapatna: six auditors who varied in their portrayed level of discernment were trained to be buyers of a popular 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 provided data on the prices charged by artisans and traders to different buyers 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 there were more tourists than usual visiting Channapatna; thus the auditors portraying tourists did not stand out, and sellers remained unaware that they were part of an experiment.

**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. Having identified three distinct categories of buyers of handicraft products in my field-work, Indian baseline, Indian craft, and international, I hired six auditors for the experiment and assigned them to role-play buyers in the three categories. 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 experiment treatment. The four Indian-baseline and Indian-craft auditors, randomly assigned to their respective roles, came from towns around Channapatna and conducted their transactions in the local language. The Indian-baseline auditors dressed like they normally would, while the Indian-craft auditors were given handwoven cotton clothes to wear along with terracotta earrings, a handcrafted metal necklace, and a handmade bag. The two international auditors, from Thailand and Mauritius, looked and dressed like foreigners and conducted their transactions in English. As described in Online Appendix B, I further quantitatively verified that Indian-baseline buyers were perceived as being non-discerning and Indian-craft and international buyers were perceived as being discerning by Channapatna's sellers, using a survey in which I asked a sample of sellers to rate the level of discernment of the different buyer categories.

**Product and sellers.** The auditors were assigned the task of purchasing a pair of Channapatna bangles. This half-inch-wide bangle is ubiquitous and widely produced and sold in Channapatna owing to its current popularity in Indian fashion. Though the bangle is a creative product offering artisans an avenue for individual expression and craftsmanship in their color, pattern, and design choices, it is also relatively standardized in its production cost because of its fixed size and shape.

For this experiment, I created a sample of 77 sellers—52 artisans and 25 traders—from Channapatna's population of over 5,000 sellers. In choosing the sellers for the sample, I considered only those artisans and traders who had ample experience making and selling half-inch bangles and who had a sufficient stock of this product. I further restricted the sample to select artisans and traders who were at least 500 meters away from other sellers in the sample. The sellers in the sample were divided into 20 seller groups, each consisting of three to four artisans or traders, based on geographical proximity. See figure A1 in the Online Appendix for a map showing the geographic location of the chosen artisans and traders, collected through a GPS device.

**Randomization.** I created the experiment schedule using a computerized randomization algorithm, dividing each day into two time slots. The goal of the randomization code was to assign one auditor to one group of sellers in a given time slot such that (1) each auditor visited a given seller group only once, (2) two auditors did not visit the same seller group in the same time slot, (3) sellers

**Table 3. Number of Sales Transactions by Sellers and Buyers**

Buyers	Sellers		Total
	Artisans (N = 52)	Traders (N = 25)	
Indian baseline (N = 2)	103	50	153
Indian craft (N = 2)	102	50	152
International (N = 2)	100	50	150
Total	305	150	455

did not receive auditor visits on consecutive days, and (4) a seller did not receive more than three auditor visits in a week. Imposing these constraints on the randomization code mitigated concerns that sellers would run out of stock and ensured that sellers in the sample were not bombarded by auditors. Table 3 shows the distribution of sales transactions by each seller and buyer category. Data from the experiment confirmed that randomization was implemented as planned.

**Training.** Prior to implementing the experiment, the auditors spent three days in training, followed by a pilot exercise. They were not told the research questions of interest. Auditors were introduced to the setup of the experiment and educated about wood and lacquerware products, especially the Channapatna bangle. Auditors were instructed to transact with the trader or artisan himself, not a relative or wife, and not to purchase from sellers not listed in the sample. Subsequently, the auditors were put through a series of role-playing exercises involving memorizing scripts and learning the bargaining routine, to achieve consistency in their portrayal of buyers. Finally, the auditors practiced completing a transaction form designed to capture prices and other details after each purchase.

The classroom training was followed by field training in Channapatna to build familiarity with the area. Auditors were given detailed maps marking the location of every artisan and trader in the sample. Finally, a pilot experiment was conducted in a nearby town called Yarabnagar, where artisans also make and sell carved wooden products. Auditors visited a small sample of sellers there to rehearse their buying routine.

**Bargaining.** The bargaining routine, modeled on informal market behavior in India (Iyer and Schoar, 2010), was standardized across all transactions. Upon obtaining the seller's initial price, the auditor would offer half of this quoted price in the first round of bargaining. If the seller did not accept this offer, he would suggest a second price to which the auditor would respond by raising her initial offer by 2 rupees in this second round of bargaining. If the seller did not accept this offer either, the interaction would repeat a third time, with the seller offering yet another price and the auditor raising her offer by 2 rupees again, after which the bargaining would cease and the auditor would pay the final price demanded by the seller so as to successfully complete the transaction.

## Key Variables

**Dependent variables.** I used two variables to measure the monetary value that individuals who identify with their work seek for their work output: initial price and final price. *Initial price* is the price first quoted to a buyer before bargaining begins. I focused primarily on initial price because it captures the monetary value sought by a seller based simply on his appraisal of a buyer. Even though the auditors in the experiment used a standardized bargaining routine, initial price is a conservative measure because it is independent of the way in which bargaining proceeds. *Final price* is the price at which the product is eventually purchased after auditors engage in up to three rounds of standardized bargaining and thus indicates the final economic compensation obtained for the product.

**Independent variable.** I theorized that artisans vary their price-setting behavior based on the type of audience they encounter. My operationalization of different kinds of audiences was achieved through the three buyer categories used in the experiment: the Indian-craft and international auditors represented discerning buyers, and the Indian-baseline auditors represented non-discerning buyers.

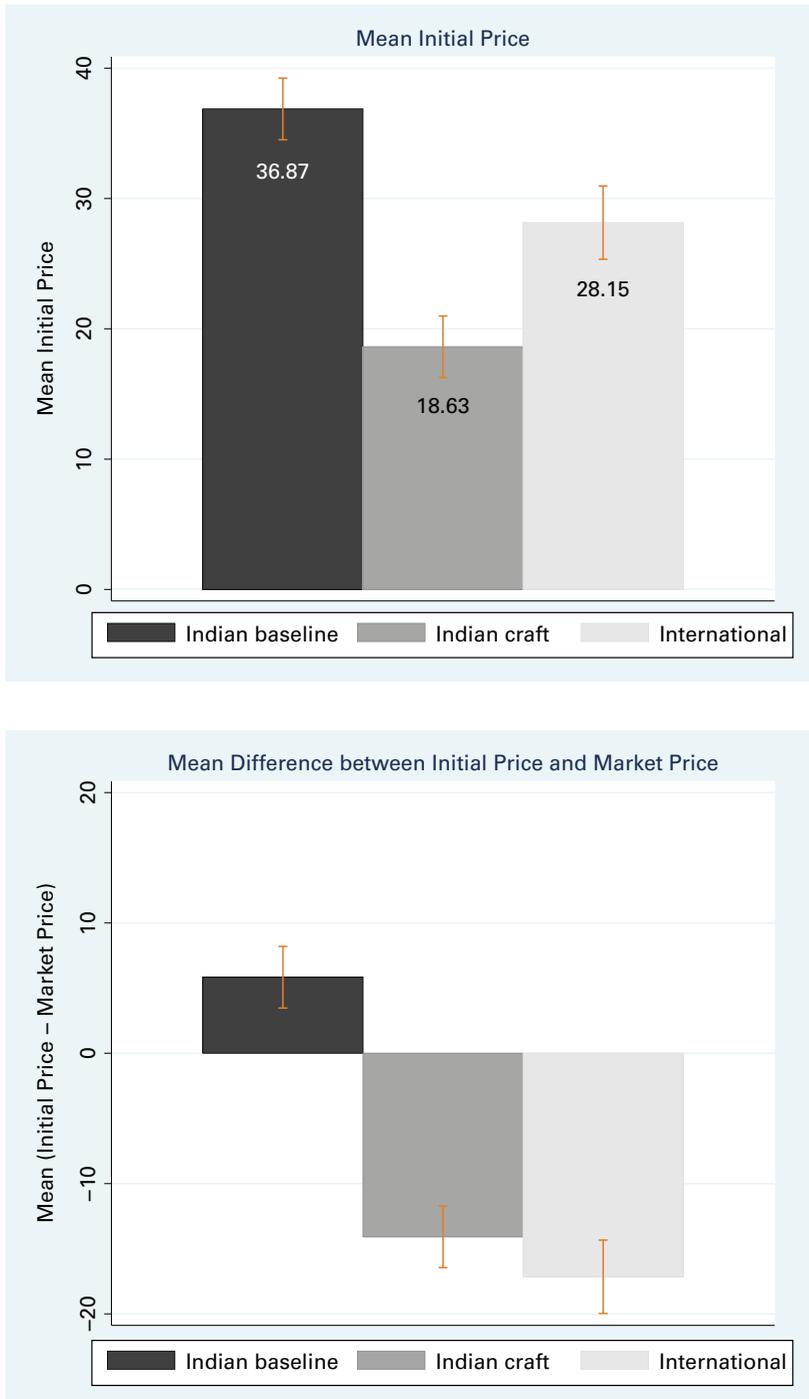
**Other variables and controls.** To test my hypotheses, I compared artisans' prices with the *market price* for each buyer category. I measured the market price using the mean initial price charged by traders to each buyer category in my experiment. Traders, as extrinsically driven sellers who dominate the market for handicraft goods, set competitive market prices in accordance with each buyer category's perceived willingness to pay. In Online Appendix B, I used survey data to confirm empirically that traders' initial prices are in line with each buyer category's perceived willingness to pay, with higher market prices being charged to international buyers (with higher perceived willingness to pay) than to Indian-baseline or Indian-craft buyers. In additional analyses, I also verified that the results are robust to using traders' mean final price as my measure of market price.

A key strength of this study is that buyers were randomly assigned to sellers, allowing me to causally compare mean prices charged by sellers to different buyers. In my analyses, however, I also included a set of control variables to ensure the exogeneity of my main independent variable. I controlled for three transaction-level variables—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—because my fieldwork revealed that these sale conditions could affect the prices charged. I also included seller-level controls (collected through a survey) 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 Bangalore, the closest city, because sellers' training, experience, economic conditions, and level of market exposure could also affect the prices charged to different buyers.

## Experiment Findings: Artisans' Prices to Different Buyer Categories

**Comparing means.** Hypothesis 1 posits that artisans will charge below-market prices to discerning buyers and market prices to non-discerning buyers. Results graphed in figure 2 show artisans' mean initial prices to the three buyer

**Figure 2. Artisans' prices (in rupees) to different buyers.\***



\* The market price for each buyer category is the mean initial price charged by traders: Indian baseline: 31.04 rupees; Indian craft: 32.72 rupees; international: 45.30 rupees.

categories in the graph on the top and the mean difference between artisans' initial prices and the market price for each buyer category in the graph on the bottom, with 95-percent confidence interval bars around the mean. The graph on the top indicates that artisans charged the lowest prices to the Indian-craft buyers (18.63 rupees) followed by the international buyers (28.15 rupees), while they charged the highest prices to the Indian-baseline buyers (36.87 rupees). The graph on the bottom shows that artisans offered significantly below-market prices to the two discerning buyer categories, Indian craft and international. With respect to the non-discerning Indian-baseline buyers, the graph on the bottom shows that artisans offered prices slightly greater than the market price to this buyer category. This suggests that artisans might be charging a riff-raff penalty to non-discerning buyers for having to hand over their "babies" to these buyers. These results provide compelling evidence that individuals who identify with their work do indeed price differently for different buyers, prioritizing monetary gains less for discerning buyers than for non-discerning buyers.

**Regression predicting initial and final price.** Table 4 shows results of the tests of whether these differences between artisans' initial prices and the market price for the three buyer categories are robust to adding several controls in a regression format and using final price. The OLS models predicting initial and final price allowed me to account for error structures robust to a group-level covariance by clustering at the level of sellers.

In model 1, I regressed initial price on buyer dummies for Indian-craft and international buyers, and seller-buyer interaction dummies for artisan sellers interacted with the Indian-baseline, Indian-craft, and international buyer categories. In model 2, I included controls for seller and transaction characteristics as a robustness check. In model 3, I included seller fixed effects, which represent even stronger controls for fixed characteristics of sellers. Finally, models 4–6 replicate these analyses using final price. In all the models, the constant term provides the estimated price offered by traders to the Indian-baseline auditors because trader sellers and Indian-baseline buyers are the omitted categories. The coefficients for Indian-craft and international buyers represent the respective differences between the price offered by traders to the Indian-craft and international auditors as compared with traders' price to the Indian-baseline auditors.

The regression setup I employed is slightly non-standard because I omitted the artisan sellers main effect. Instead, I specified each of the three interactions—Artisan sellers  $\times$  Indian-baseline buyers, Artisan sellers  $\times$  Indian-craft buyers, and Artisan sellers  $\times$  International buyers—which are mutually exclusive but collectively exhaustive and therefore effectively capture the artisan sellers main effect. I chose this regression setup because of the direct correspondence of the three interaction terms in my specification and my hypotheses. In particular, the coefficients for the three interactions represent the differences between artisans' prices and the market price for the three buyer categories to test hypothesis 1. In additional analyses, I verified that the results are robust to using the more standard regression setup.

In model 1 of table 4, the coefficients for Artisan sellers  $\times$  Indian-craft buyers and Artisan sellers  $\times$  International buyers show that artisans offered significantly below-market prices to the Indian-craft and international discerning

**Table 4. OLS Regression on Prices\***

Variable	(1) Initial	(2) Initial	(3) Initial	(4) Final	(5) Final	(6) Final
Indian-craft buyers	1.680 (1.390)	1.689 (1.670)	1.369 (1.639)	-0.180 (1.365)	-0.111 (1.566)	-0.438 (1.584)
International buyers	14.260*** (2.279)	14.539*** (2.547)	13.983*** (2.541)	12.580*** (1.893)	13.359*** (2.033)	12.500*** (2.115)
Artisan sellers × Indian-baseline buyers	5.834** (2.205)	8.351* (3.601)	6.370*** (1.814)	4.575* (2.079)	7.536* (3.202)	7.559*** (1.612)
Artisan sellers × Indian-craft buyers	-14.093*** (1.861)	-11.947*** (3.159)	-13.271*** (1.304)	-13.338*** (1.720)	-10.628*** (2.745)	-10.017*** (1.376)
Artisan sellers × International buyers	-17.150*** (2.245)	-14.997*** (3.667)	-16.243*** (1.840)	-18.490*** (2.017)	-16.378*** (3.346)	-15.424*** (1.566)
Availability of electricity		-1.497 (1.229)	-1.895 (1.346)		-0.373 (1.106)	0.007 (1.197)
Stock left		-0.004 (0.014)	0.006 (0.008)		-0.001 (0.013)	0.008 (0.008)
Presence of seller's spouse		1.446 (1.662)	0.234 (1.599)		1.047 (1.550)	-0.198 (1.554)
Age		0.061 (0.091)			0.016 (0.081)	
Work tenure		0.009 (0.077)			0.014 (0.069)	
Muslim		-6.336** (2.310)			-6.182** (2.048)	
Education		-0.107 (0.248)			-0.105 (0.218)	
Income		0.000 (0.000)			0.000 (0.000)	
Neighboring seller density		0.724 (0.853)			0.577 (0.878)	
Distance from highway		0.002 (0.003)			-0.000 (0.003)	
Visits to Bangalore		0.260 (0.392)			0.207 (0.375)	
Constant	31.040*** (1.770)	28.555*** (4.914)	37.688*** (1.781)	28.920*** (1.701)	28.478*** (4.457)	33.298*** (1.508)
Observations	455	443	455	455	443	455
R <sup>2</sup>	0.33	0.37	0.59	0.37	0.41	0.61
Seller controls	No	Yes	No	No	Yes	No
Transaction controls	No	Yes	Yes	No	Yes	Yes
Seller fixed effects	No	No	Yes	No	No	Yes

\*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ .

\* Traders are the omitted seller category; Indian baseline is the omitted buyer category; missing surveys for two traders account for the lower number of observations in models 2 and 5. Standard errors clustered by seller are in parentheses.

buyers and that the difference between artisans' initial price and the market price for each category was statistically significant, in support of hypothesis 1a. The coefficient for Artisan sellers × Indian-baseline buyers in model 1 shows that the difference between artisans' initial price to the non-discerning Indian-baseline buyers and the market price for this buyer category was positive and

statistically significant, though smaller. This suggests that rather than offering market prices to non-discerning buyers as predicted by hypothesis 1b, individuals who identify with their work offered above-market prices to non-discerning buyers.

The regression coefficients for the three interaction terms do not change very much from model 1 to model 2, suggesting that the seller- and transaction-level controls do not significantly affect the main results. In model 3, with seller fixed effects in addition to transaction-level controls (the seller-level controls drop out because of the seller fixed effects), the coefficients for the interaction terms remain similar.

Models 4–6, replicating these analyses with final price, present a very similar pattern of results, suggesting that artisans' pricing behavior is resistant to bargaining. Further, these analyses suggest that artisans' price-setting pattern has real economic implications for them: back-of-the-envelope calculations suggest that artisans could make 20 percent more revenue if they did not offer below-market final prices to discerning buyers. See Online Appendix C for more details.

## Survey Methods

To investigate the mechanism underlying artisans' pricing behavior and to test hypothesis 2, that artisans will offer greater discounts to discerning buyers and charge even higher prices to non-discerning buyers when they have more product attachment than when they have less product attachment, I conducted two surveys with sellers in Channapatna. I conducted the first survey in June 2012 with a sample comprising 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 on 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 buyer groups, and (f) work process data. The survey was administered by three trained surveyors who read the questions aloud in Kannada, 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 a second survey in June 2015 that allowed me to validate my measures for the mechanism of product attachment. This survey appears in Online Appendix B.

## Survey Findings: Mechanism of Product Attachment

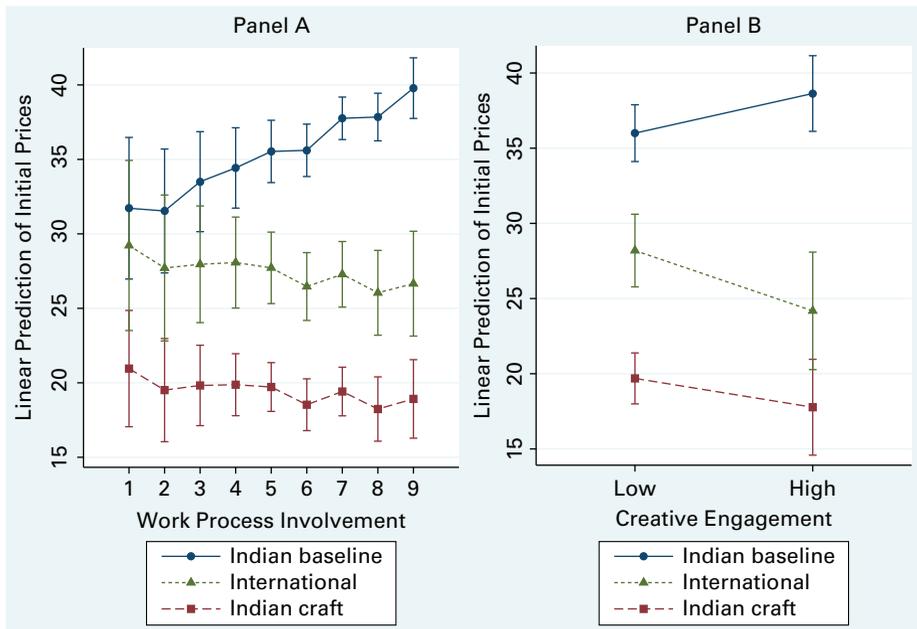
Hypothesis 2 predicts that the mechanism underlying artisans' unique pricing behavior is their product attachment—the bond that workers can develop with their work output—and that artisans will offer greater discounts to discerning buyers and charge even higher prices to non-discerning buyers when they have more product attachment than when they have less product attachment. My qualitative data are consistent with this prediction, and to test it quantitatively, I generated measures of the two indicators of product attachment that I discussed earlier: work process involvement and creative engagement. I

measured *work process involvement* as the number of stages of production that an individual artisan engaged in himself. Producing artisanal products involves nine distinct processes, so this variable has a range of 1 to 9. My survey showed the mean was 6.40 (standard deviation: 2.25). I measured *creative engagement* as whether artisans engaged in the color-related two stages of production that offered the most scope for creative expression: lacquering and painting. Thus creative engagement is a binary variable with a value of 0 for low creative engagement, when artisans do not engage in lacquering or painting, and a value of 1 for high creative engagement, when artisans do their own lacquering and painting. The mean of this variable was .31 (standard deviation: .47).

As described in Online Appendix B, I also quantitatively tested whether work process involvement and creative engagement are indeed indicators of 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 second survey. My data show that as artisans engage in a greater number of production processes, they report having greater product attachment; similarly, artisans with high creative engagement report having greater product attachment than artisans with low creative engagement.

**Product attachment and price setting.** Figure 3 uses estimates from an OLS model to graph how artisans’ initial prices to Indian-baseline, Indian-craft, and international auditors vary with greater work process involvement in panel

**Figure 3. Artisans’ prices by work process involvement and creative engagement.**



Panel A. Linear prediction of artisans’ initial prices by work process involvement  
 Panel B. Linear prediction of artisans’ initial prices by creative engagement

A and greater creative engagement in panel B, with error bars representing standard errors. If artisans' initial prices to the discerning buyer categories (Indian craft and international) decrease with greater product attachment, and if artisans' initial prices to the non-discerning buyer category (Indian baseline) increase with greater product attachment, these results would indicate that product attachment is indeed the mechanism underlying artisans' 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 buyer categories, as before, and also includes work process involvement as an independent variable. Crucially, the regression includes interactions between buyer category and work process involvement. This interaction term estimates how the prices offered change for different buyer groups as an artisan engaged in a greater number of work processes. The regression also controls for bangle cost (Brandenburger and Stuart, 1996), 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 that Indian-baseline, Indian-craft, and international auditors would receive from an artisan depending on the buyer 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. Figure 3 makes clear that artisans' discounts offered to the Indian-craft and international groups increased with greater involvement in the production process, and artisans' ruff-raff penalty 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 buyer categories, as before, and includes creative engagement as an independent variable. Again, the regression includes interactions between buyer category and creative engagement and controls for bangle cost. These estimates were then used to calculate the predicted price that Indian-baseline, Indian-craft, and international auditors would receive from an artisan depending on the buyer category and the artisan's creative engagement. Figure 3 makes clear that artisans with high creative engagement charged lower prices to the Indian-craft and international buyers while charging higher prices to the Indian-baseline buyers than did artisans with low creative engagement.

These graphs offer suggestive evidence that product attachment influences artisans' price setting to different buyers by showing that as artisans are involved in more work processes and engage in more creative work, they give greater discounts to discerning buyers and charge greater penalties to non-discerning buyers.

### Considering Alternative Mechanisms

Though my qualitative fieldwork and survey data suggest that product attachment is an important mechanism driving artisans' pricing decisions, many other potential mechanisms could also have played some role in influencing the pricing patterns I found. In Online Appendix D, I consider the possibility that

artisans' pricing patterns can be explained by their demographic characteristics, status position in the community, or market exposure or could alternatively be attributed to status differences between different buyer groups. I used qualitative data to check whether each alternative mechanism has face validity and then used survey data as well as GPS data on the precise location of individual sellers to construct quantitative measures for these mechanisms. My analysis revealed that these alternative mechanisms, while plausible, are unlikely to be driving artisans' pricing behavior in my setting.

## DISCUSSION

Using a full-cycle research design, this paper investigated how people who identify with their work monetize their output and, in particular, whether they sacrifice financial gains and why. I found that individuals who identify with their work monetize their work output differently depending on their audience: when transacting with a discerning audience, they often sacrifice financial gains, but transactions with non-discerning audiences result in a focus on monetary rewards. The mechanism underlying this monetization behavior is individuals' product attachment, or love for their work output, which motivates their preference to transact with people who will take care of their work products beyond the point of sale. These findings make three contributions to our understanding of economic decision making in the context of meaningful work.

Scholars have predominantly argued that people who identify with their work are disinterested in monetary gains (Scott-Morton and Podolny, 2002; Mollick, 2013). A smaller group of scholars has argued exactly the opposite, that even those deeply connected to their work sometimes prioritize financial rewards (Brief et al., 1995; Brief et al., 1997). First, I demonstrate that the same individuals who identify with their work might prioritize financial gains under some conditions and disregard monetary rewards in others. This pattern is evident in how artisans who identify with their work set prices: sometimes they set below-market prices, and at other times, they set market prices.

Second, I find that one important condition—audience characteristics—moderates the salience of financial gains for these workers. When people 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 try to maximize their financial rewards from the transaction and set market or even above-market prices. While in this paper I study the audience of product buyers, preliminary evidence from studies in diverse fields suggests that characteristics of other audiences such as bosses and investors would similarly moderate the salience of financial gains for people who identify with their work (Stern, 2004; Silbey, 2014). Further, in terms of the criteria that economic actors use to evaluate audiences and make individual pricing decisions, my findings show that sellers sometimes look beyond their clients' willingness to pay (Davis, 1959; Heinz and Laumann, 1982) and use novel criteria such as level of discernment in evaluating audiences and making pricing decisions.

Third, I uncover a novel mechanism underlying the variation in prices to different audiences—product attachment—defined as 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. Identifying two indicators of product attachment, namely work process involvement and creative engagement, I argue that just like individuals can identify with their work or occupation (Adler, 1993; Ryan and Deci, 2000; Bunderson and Thompson, 2009), they can also be attached to the output of their labor, especially when they invest significantly in producing this output. Product attachment helps to explain why workers who identify with their work care about their products beyond the point of sale, desire to sell to discerning audiences who will take care of their products, and thus offer these buyers below-market prices.

This paper also makes two contributions to the study of audiences in cultural production and consumer attachment to products. First, though the cultural production literature highlights that producers cater either to elusive connoisseurs or to the lucrative masses in order to maintain a consistent public identity (Becker, 1951), this paper suggests that in some markets creative producers encounter both discerning and non-discerning audiences, often one on one, in the course of their working life. Under these conditions, instead of uniformly sacrificing or prioritizing financial gains, workers can behave commercially in some transactions and non-commercially in others. Second, while the consumer behavior literature on attachment emphasizes that consumers can become attached to the products they own (Ball and Tasaki, 1992), this paper demonstrates that workers can similarly become attached to their work products.

### Limitations and Future Research

Although the data reported here indicate that the mechanism underlying the economic behavior of those who identify with their work is product attachment, there are some limitations to this proposed interpretation of the findings. Product attachment develops through creative workers' interaction with their products over the long run, and therefore I was not able to directly manipulate it in my field experiment. Instead, I relied on ethnographic fieldwork, which uncovered two indicators of product attachment—work process involvement and creative engagement—and a survey, which offered quantitative measures of these two indicators to provide indirect evidence that product attachment is a plausible mechanism driving artisans' pricing decisions to different audiences. Future research should attempt to directly manipulate product attachment, perhaps in the lab, to further develop this theoretical construct.

Product attachment also could be only one of several related mechanisms that explain the conditions under which individuals who identify with their work sacrifice monetary rewards. In Online Appendix D, I discuss some alternative mechanisms that have face validity and hold theoretical promise to further understand artisans' economic behavior. Though these mechanisms do not seem to be driving artisans' price-setting behavior in my setting, future research could devote more attention to exploring them.

This paper focused on price setting, but people who identify with their work could make other economic decisions based on audience characteristics too. For example, musicians often have to make decisions on where to perform; in line with my theoretical predictions, they might perform in large concert halls offering significant revenue from ticket sales on some occasions and in niche, unprofitable venues on others (Smith, 2009). Along the same lines, innovators

must often choose an intellectual property or licensing scheme to protect their creative work (Silbey, 2014). While making these choices, producers might make distinct appeals to different audiences, forgoing financial gains when appealing to discerning audiences and making money when selling to non-discerning audiences. Future research could investigate the conditions under which the theory outlined in this paper extends to these other economic decisions.

Product attachment can also be observed in a wide variety of settings beyond handicraft markets in Channapatna; for instance, we might see real estate agents and booksellers displaying attachment to the houses and books that they respectively put up for sale. Though the basis for product attachment theorized in this paper is the investment of time, effort, and creative energy in work products, future research could explore other bases for product attachment such as when products serve social goals (Beckert and Aspers, 2011; Fourcade, 2011) or feed moral or identity-based sentiments (Zelizer, 1994, 2010; Anteby, 2006; Askin and Bothner, 2016).

Finally, while this paper focused on how individuals who identify with their work prioritize extrinsic, monetary rewards, investigation of the inverse of this question—how extrinsic rewards such as higher prices could affect intrinsic motivation—is an equally interesting avenue for future research (see Deci, Koestner, and Ryan, 1999, for an overview). In particular, exploring this question for different market actors such as producers, wholesalers, and retailers, each enacting their own social position in the market, could be productive.

### **Implications for Methods and Practice**

Methodologically, this paper charts unexplored territory, applying what until now has been a largely theoretical approach to research. The research design I used makes three contributions to our understanding of the full-cycle research approach. First, though this approach has traditionally combined ethnographic research with lab experiments, this paper combines fieldwork with a field experiment, which offers the benefit of studying real decisions and outcomes for economic actors in natural, everyday environments (Harrison and List, 2004). The first stage, the ethnographic observation, is inductive: by keeping an open mind, the researcher uncovers interesting puzzles in the field and generates meaningful hypotheses. The subsequent field experiment is deductive, intended to causally test the hypotheses. The time the researcher spends in the field engaging in participant observation has direct application to the field experiment's design, allowing the researcher to construct a useful experiment: having understood how the actors being studied make sense of the world around them, the researcher exploits this knowledge to design novel yet precise field experiments that can account for the variability in the field setting while keeping the social fabric of the setting intact. In this way, combining ethnography and field experiments offers external validity of findings, instilling confidence about their applicability to real-world decisions.

Second, while the full-cycle research model has traditionally emphasized ethnographic and experimental methods, I used surveys to complement the existing methodologies. I conducted two rounds of surveys to collect demographic and other background information, shed light on causal mechanisms, and help rule out alternative explanations. Typically, survey questions build on past

surveys conducted in the same region and on scales from prior literature. When surveys are conducted after detailed ethnographic observation and an experiment, however, the survey questions can be customized, emerging directly from the fieldwork. Further, after the researcher has spent so much time in the field, the response rate is likely to be higher and the quality of the responses is likely to be more honest, as the respondents have come to know and trust this person. This relationship likely facilitated the second round of surveys that I conducted, which I used to delve further into respondents' initial responses and rule out alternative explanations.

Finally, this research is well-suited to contribute to policy recommendations. This paper specifically 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 (Banerjee and Duflo, 2011; Ranganathan, 2013). Some scholarship on the meaning of work 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 (Brief and Nord, 1990; Leana, Mittal, and Stiehl, 2012). But artisans in Channapatna, despite being poor, identify strongly with their work and monetize their work output in accordance with the audience consuming it, 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). This suggests that an understanding of work that emphasizes solely its instrumental benefits is insufficient to design labor market institutions among the working poor. For example, my research suggests that a common policy solution to help artisans increase their income—increasing tourism to artisanal towns—may not be effective. This policy solution makes sense in theory, as more tourists could lead to more sales and thus more income, but in practice artisans would continue to sell their products at heavily discounted prices to foreign buyers and other discerning buyers and thus not increase their income in a meaningful way. If, as this study shows, individuals are motivated both by meaning and money depending on the audience they interact with, the implications for theory and policy are far-reaching and open up many new avenues for future work.

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