



## **A STUDY ON IMPACT OF ARTIFICIAL INTELLIGENCE IN CREATION OF BRAND IDENTITY OF HANDICRAFT BUSINESSES**

**Charu Mehta**

Research Scholar

Department of Commerce

Pacific Academy of Higher Education and Research University, Udaipur

[charumehta00@gmail.com](mailto:charumehta00@gmail.com)

**Dr. Priyanka Daya Choudhary**

Assistant Professor

Department of Commerce

Pacific Academy of Higher Education And Research University, Udaipur

[drpriyankachoudhary@pacific-university.ac.in](mailto:drpriyankachoudhary@pacific-university.ac.in)

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### **ABSTRACT**

In today's digital era, Artificial Intelligence (AI) has emerged as a powerful business tool which has transformed the way of branding for businesses. Handicraft businesses are dependent on traditional ways of branding while AI provides advanced novel tools to present their products and stories to the audience across the globe in an interactive manner. As unique as the handicrafts, AI offers a distinctive advantage to the businesses by enhancing brand visibility and creating an authentic brand identity. Even in today's AI driven era, handicraft businesses still heavily rely on their cultural authenticity and unique craftsmanship as a brand identity and hence, face the challenges of creating a distinct brand identity. However, with an effective use of AI tools they can create a recognizable and appealing brand identity for larger markets. This study aims to access the impact of AI on creation of brand identity of handicraft businesses. It explores the impact of AI branding tools such as content creation tools, image and video enhancement platforms and other branding tools. In this research study, a survey of diverse handicraft businesses including textiles, paintings, wood and metal crafts and other handicrafts in various districts of Rajasthan has been conducted to study the effect of AI tools on creation of brand identity. The findings of the study showed that the AI tools helps the Handicraft businesses in creation of brand identity by expanding their market reach, enhancing the content quality and effective customer interaction. The results of the study also revealed that there are certain challenges like lack of digital literacy, lack of financial resources and authenticity concerns affects effective integration of AI tools in the business.

**Keywords: - Artificial Intelligence, Branding Tools, Brand Creation, Handicraft Industry**



## 1. INTRODUCTION

The handicraft industry represents a long historical legacy of entrepreneurial activity with traditional skills and knowledge passed down through generations symbolizing deep rooted cultural heritage. In a culturally rich country like India, handicraft industry is an important economic resource providing livelihood to millions of artisans. However, with the world moving rapidly towards technology and mass-produced goods, handicraft businesses have struggled for survival from this fierce competition and poor branding which has affected their visibility and market access, despite their cultural and economic significance.

Brand identity is much more than just a name or a logo, it is an experience in the minds of the consumers, a distinct identity that differentiates it from the competitors in the marketplace. Hence, brand identity is an asset that helps a business stand out from others. In the handicraft industry the brand identity has strong association with cultural narratives, historical authenticity and artisan stories. Therefore, it is very important for handicraft businesses to convey these narratives effectively. With the advent of AI tools like content generation tools, analytical tools, image and video enhancement platforms etc. offers opportunities to handicraft businesses to strengthen their brand identities.

This research seeks to investigate the impact of AI in the brand creation process of the handicraft businesses in the state of Rajasthan. Districts in Rajasthan like Jaipur, Jodhpur, Kota, Bhilwara, Udaipur, Rajsamand, etc. are home to various crafts like textile handicrafts such as Sanganeri craft, Dabu Prints, Bandhani and Kota Doriya Sarees, paintings such as Miniature and Pichwai paintings, marble artworks, Molela and Blue Pottery art and many more. Furthermore, the research explores the influence of AI adoption in key areas such as brand visibility, visual presentation, customer engagement, content quality and market reach.

Indeed, AI has numerous advantages but only when implemented effectively. An effective implementation requires to identify and eliminate the challenges that come along with it. Therefore, this research also seeks to identify and understand the challenges faced by the handicraft businesses while adopting AI for successful implementation in the business.

## 2. LITERATURE REVIEW

Latif, F. (2026) explored the opportunities and challenges in creating brand identity through AI generated content. AI has influenced the brand creation process through its distinctive features like personalized content generation and interactive marketing to global audience.



The main aim of the research is to explore the advantages and disadvantages of AI generated content as a branding tool. A quantitative research was conducted and it was found that branding through AI generated content had potential benefits like efficiency, uniformity and personalization while it also highlighted the trust issues, ethical and authenticity challenges posed by AI generated content. However, the research also concluded that integrating AI generated content with core brand values, ethics and authenticity can help develop stronger brand identity.<sup>(1)</sup>

Attrai, R., & Nawaz, A. (2025) studied the impact of AI on brand identity creation in small- scale industries by examining how various AI applications help small businesses in branding activities like personalized branding and marketing. They explored the use of AI for content generation, data analytics, natural language processing and trend forecasting. The study aimed at examining the effects of AI on perceived brand image, brand loyalty and customer engagement. The study also identified the financial, technical and privacy challenges faced by small businesses while implementing AI tools. Through qualitative interviews and quantitative surveys they studied a sample of 20-30 selected small businesses from varied sectors like retail, e-commerce and hospitality. The findings of the study suggested that when integrated strategically, AI can significantly affect the brand- creation process and can also improve customer engagement while providing a competitive advantage to the small scale industries and help them create a unique brand identity.<sup>(2)</sup> Raut, S., Chandel, A., & Mittal, S. (2025) explored how AI-led content creation improved brand communication and marketing. The main aim of the study was to examine the impact of artificial technologies like the generative AI, augmented reality (AR) and virtual reality (VR) on brand personalization and SEO optimization while taking into consideration the authenticity and ethical challenges of AI generated content. They concluded through AI tools businesses can better understand consumer behaviour and preferences, make the brand more personalized and enhance customer engagement. They also discussed future AI trends from a marketing perspective and suggested to integrate AI, marketing and CSR strategies to build stronger brand loyalty.<sup>(3)</sup>

Gbadamassi, R., & Diakit , I. K. (2025) studied consumers perception about the AI generated branded content. The main aim was to study generative AI tools used by brands through a consumer’s perceptive and whether consumers trust the automated content generated through AI. Semi-structured interviews of young consumers were conducted and through a qualitative and exploratory approach, it was found that the consumers had contradicting views regarding AI-generated content.



The participants appreciated the creativity and attractiveness of the AI-generated content while on the other hand they criticized that it's more generic and lacks human-like emotional connection. The main contribution of this paper was that it pointed out the need for hybrid models that integrate the efficiency of AI generated content with emotional skill set like that of humans. This analysis suggests brands to strategically integrate generative AI branding tools in the business while ensuring the brand's authenticity.<sup>(4)</sup>

Gual-Ortí,et.,al.,(2025), explored the role of AI in brand image creation with special reference to the logo design process. Logo designing is a crucial part of branding and play a major role in creating the visual brand image, therefore, logo of the brand should be visually appealing so as to make the brand a memorable one. The study compared the conceptualization of AI-developed logos to that of the logos designed manually by designers using traditional methods. A survey of 121 participants belonging to different backgrounds was conducted. The findings suggested to include AI tools in the creative processes like graphic designing as the AI generated designs were ideationally and visually aligned than the logos created by human designers manually and hence concluded that, AI can prove to be a resourceful asset for developing brand image.<sup>(5)</sup>

### **3. NEED**

The handicraft industry is one of the most important industry from a cultural perspective as well as from an economic point of view as it employs millions of artisans in the country. However, with the extensive popularity of mass produced goods, the handicraft industry has faced fierce competition and has been left behind somewhere. Here arises a need for handicraft businesses to create a strong brand identity, especially for those operating in traditional and small scale settings. Therefore, this study aims to address these needs and challenges and bridge the gap between traditional and modern branding practices, enabling the handicraft businesses to build a distinct brand and thrive in competitive digital era.

While AI has redefined the branding processes in other industries, its role in handicraft industry is relatively underexplored. Handicraft businesses face many challenges while adopting AI such as lack of digital literacy, time concerns, limited financial resources and authenticity issues. Also, challenges in communication of intangible cultural value and artisan story in a well-defined manner are some unique challenges faced by handicraft businesses. Therefore, this research addresses these issues and gives insights about the impact of AI adoption on brand visibility, market reach, content quality, customer interaction and overall brand identity creation process.



Existing literature AI's role in marketing and limited studies focus on AI's role in branding in handicraft sector. This research aims to fill that gap by exploring the role of AI in brand identity creation in handicraft industry. The findings of the research can facilitate handicraft entrepreneurs, tech providers and policymakers in developing relevant strategies to help handicraft entrepreneurs sustain and grow.

## **4. OBJECTIVES**

### **4.1 Primary Objective –**

- To study the impact of AI tools on brand creation of handicraft businesses.

### **4.2 Secondary Objectives -**

- To analyse the impact of AI branding tools on digital brand visibility.
- To analyse the effect of AI on content quality, visual presentation, customer engagement and market reach of Handicraft Businesses.
- To identify the challenges faced by handicraft businesses while using AI branding tools effectively.

## **5. RESEARCH METHODOLOGY**

### **5.1 Research Design –**

In the research, primary data was collected all across Rajasthan state through a standardized questionnaire.

### **5.2 Sampling Method –**

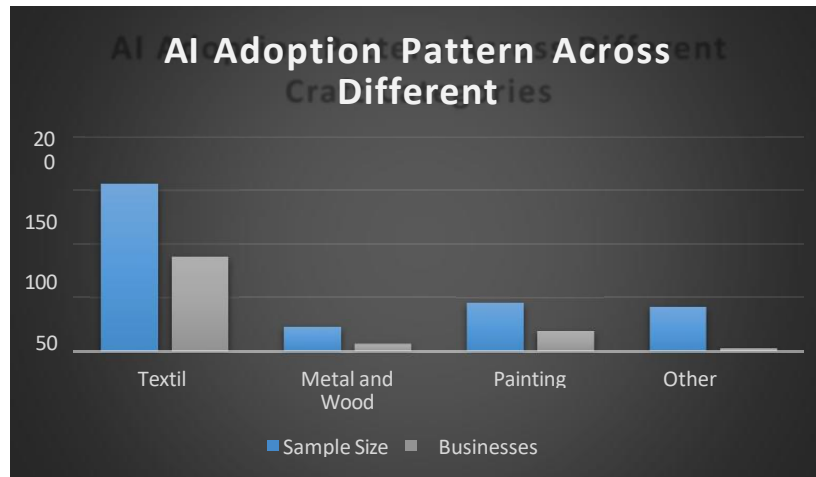
The sample consists of 265 handicraft businesses spread across different cities in the state of Rajasthan. A stratified random sampling as per different craft categories was used to ensure representation of different craft categories like textile, metal and wood crafts, paintings and other crafts.

Craft Categories	Sample Size
Textile (Sanganeri, Dabu Print, Bandhani and Kota Doriya)	156
Metal and Wood Handicrafts	23
Paintings (Pichwai, Miniature, Rajasthani)	45
Other Crafts (Molela clay work, Thewa Art, Jewellery Art, Marble Handicrafts)	41
<b>Grand Total</b>	<b>265</b>

## 6. FINDINGS AND ANALYSIS

### 6.1 AI adoption percentage across different craft categories –

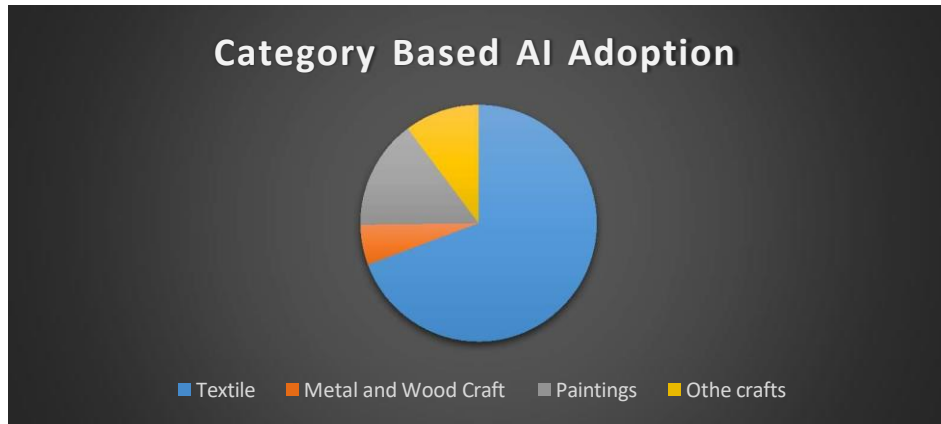
Craft Categories	Sample Size	No. of Businesses Using AI
Textile (Sanganeri, Dabu Print, Bandhani and Kota Doriya)	156	88
Metal and Wood Handicrafts	23	7
Paintings (Pichwai, Miniature, Rajasthani)	45	19
Other Crafts (Molela clay work, Thewa Art, Jewellery Art, Marble Handicrafts)	41	13
<b>Grand Total</b>	<b>265</b>	<b>127</b>



Results indicate that from a total sample size of 265 handicraft businesses only 120 businesses are using AI tools which makes up to approximately 48% of the total sample size, which is noteworthy. From a total of 156 Textile businesses, 56.4%, that is, 88 businesses are using AI tools. Similarly out of 23 Metal and Wood Craft businesses, 30.4% of the businesses are using AI. Moreover, 19 out of 45 businesses involved in paintings, that is, 42.2% of the painting business are using AI. And lastly, 13 out of 41 such business involved in other crafts are using AI, which makes 31.7% of such businesses. These results indicate that 47.92 percentage of the total 265 handicraft businesses considered are using AI, which is quite remarkable. But, on the other hand it is to be noted that even in an AI driven era, there are still a significant percentage of the handicraft businesses who are not using AI. However, these data insights are very valuable for the research and the data of these 127 businesses who use AI will be considered as this research is meant to explore the impact of AI on brand creation.

## 6.2 Category based AI adoption Analysis –

Craft Categories	No. of Businesses Using AI	Percentage
Textile (Sanganeri, Dabu Print, Bandhani and Kota Doriya)	88	69.29
Metal and Wood Handicrafts	7	5.51
Paintings (Pichwai, Miniature, Rajasthani)	19	14.97
Other Crafts (Molela clay work, Thewa Art, Jewellery Art, Marble Hanicrafts)	13	10.23
<b>Grand Total</b>	<b>127</b>	<b>100</b>

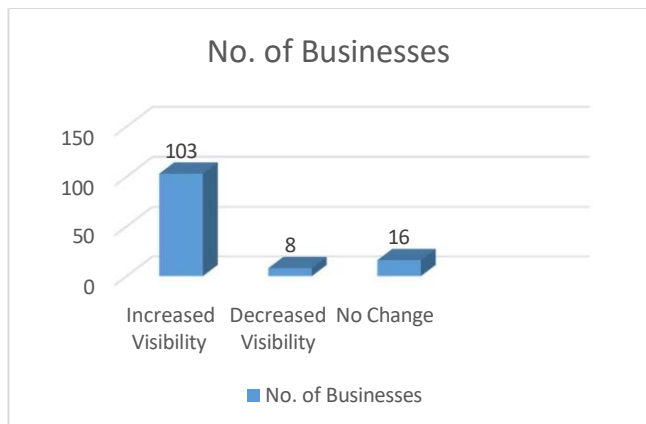


The craft based AI adoption analysis shows the category wise percentage of handicraft businesses involved in different crafts that use AI tools in the business. The findings reveal that out of 127 handicraft businesses using AI, 69.29% are businesses belonging to textile category, 5.51% business belong to Metal and Wood Craft, 14.97% businesses belong to Painting category and 10.23% businesses which belong to other crafts category are using AI.

### 6.3 Correlation between use of AI branding tools and Digital Brand Visibility –

With the use of AI branding tools, the business’s perception regarding the changes in their digital brand visibility has been taken during the survey of this criteria –

Response	No. of Businesses
Increased Visibility	103
Decreased Visibility	8
No Change	16
<b>Grand Total</b>	<b>127</b>



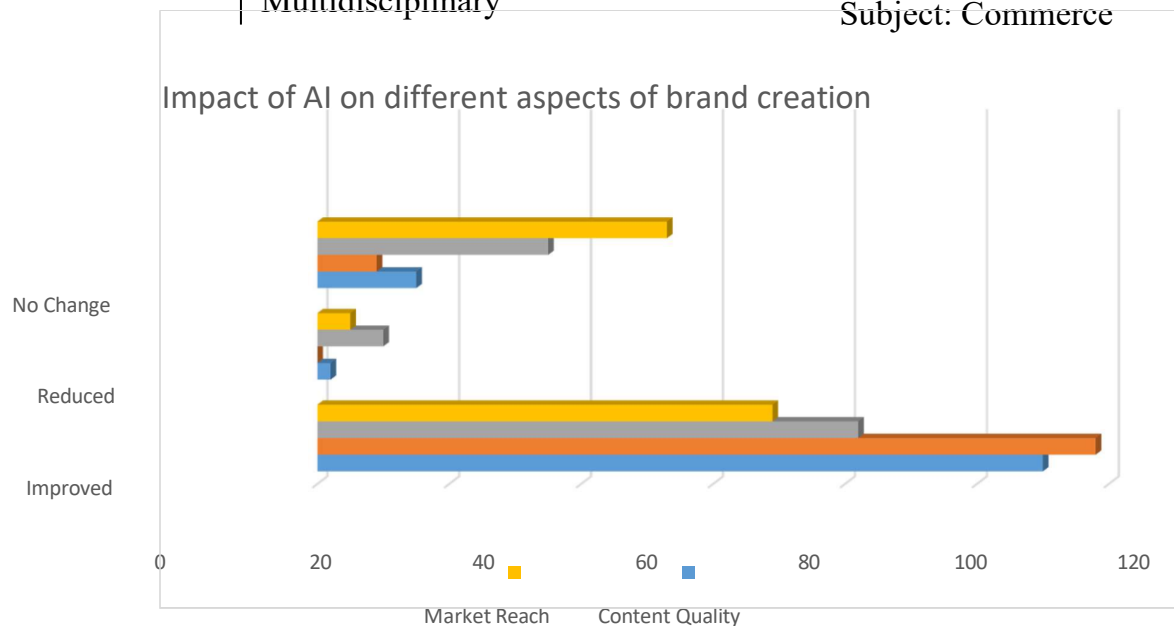


From the above table and chart, it is evident that out of 127 handicraft businesses who use AI for branding, 81% of the businesses saw a positive change in their digital brand visibility, while only 6% of them saw a negative change in their brand visibility and 13% businesses saw no change in their brand visibility. Therefore, the results clearly suggests that a significant percentage of the businesses saw a positive change in their brand visibility which implies that AI tools help in increasing digital brand visibility of the businesses.

#### 6.4 Impact of AI on different aspects of brand creation–

Generative AI is an important branding tool for generating personalized content like images, posters, messages etc. for the businesses in a professional manner. Through the survey conducted, information regarding the businesses’ perception about the impact of AI on content quality was collected and following results were noted –

<b>Impact</b>	<b>Content Quality</b>	<b>Visual Presentation</b>	<b>Customer Engagement</b>	<b>Market Reach</b>
Improved	110	118	82	69
Reduced	12	0	10	5
No Change	5	9	35	53
<b>Grand Total</b>	<b>127</b>			



The results of the analysis shows that businesses have experienced a significant improvement in content quality and visual presentation, that is, 86.61% and 92.91% respectively. While customer engagement and market reach has also improved with 64.56% and 54.33% but there are still 27.55% and 41.73% businesses who saw no change in customer engagement and market reach with the use of AI. Also, 9.44% businesses believed that their content quality has reduced with the use of AI which signifies the drawback of AI tools that it produces more consistent and uniform content which lacks creativity.

### 6.5 Challenges faced by Handicraft businesses while using AI tools effectively –

AI is a relatively new concept for businesses and most importantly for older generations and the availability of vast variety of AI tools have made it nearly impossible to learn and use all of them. Therefore, AI comes with not just advantages but many challenges that affects its effective use in the businesses. Through the survey, some of the prominent challenges were identified while effective integration of AI in the business. Most of the businesses faced more than one challenge which are showcased in the tabular form below-

Challenges	No. of Businesses
Lack of digital literacy	84
Limited financial resources	47
Language barriers	23
Risk of authenticity	19
Time constraints	92

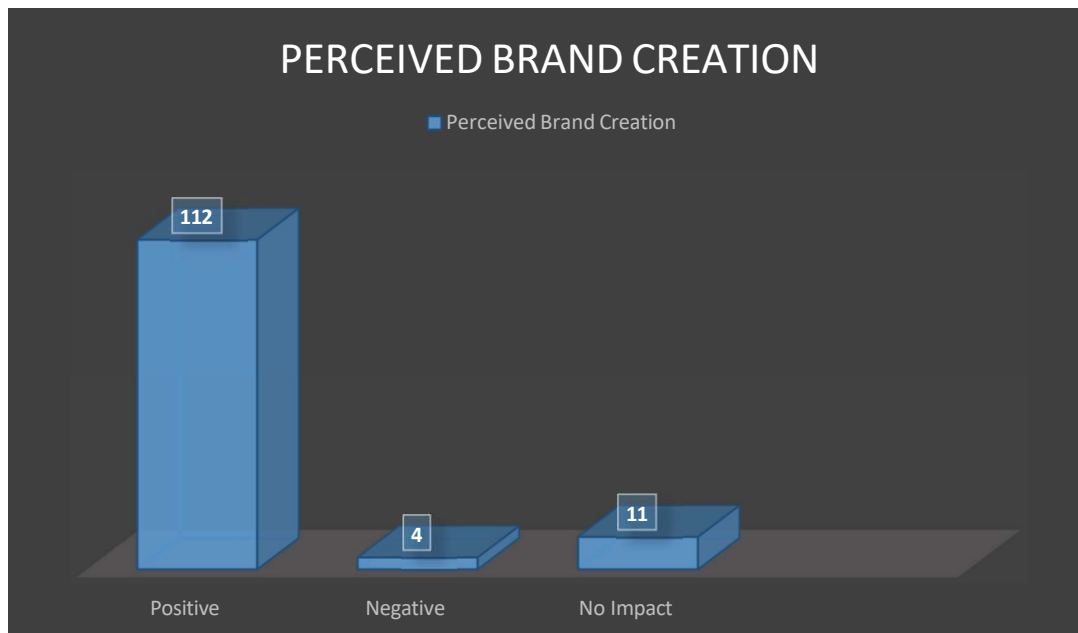


The results reveal that there were two such challenges that were faced commonly by the businesses while implementing AI, which are, time constraints (35%) and lack of digital literacy (32%). However, the other important challenges faced by the businesses are, lack of financial resources (18%), language barriers (9%) and risk of authenticity (7%). Therefore, these findings suggests the areas to be worked on for effective use of AI in the brand creation process.

### 6.6 Overall impact of AI on brand creation of handicraft businesses –

The main aim of the research was to find out the impact AI branding tools have on brand creation of handicraft businesses. AI is a great branding tools when used effectively and many brands have started integrating AI into their businesses. Here is a table and a chart showing the overall impact of AI in brand creation from a businesses’ perspective -

Impact	Overall Brand Creation
Positive	112
Negative	4
No Impact	11
<b>Grand Total</b>	<b>127</b>



From the above results, it can be clearly concluded that from 127 brands, 88.18% of the brands believed that AI has a positive impact on brand creation while only a negligible percentage, that is, 3.14 percent of brands perceived that AI has impacted negatively. Moreover, 8.66%, that is, 11 brands saw no impact of AI on brand creation. Despite of a notable percentage of brands saw a positive impact of AI, there is still a small percentage of brands which saw a negative or no impact of AI in the brand creation process which shows that there is a need for efforts to be made for implementing AI successfully.

## 7. CONCLUSION

This study has presented empirical evidence of the influence of AI on brand creation in handicraft businesses across Rajasthan. The findings reveal that out of 265 handicraft businesses, 127 businesses (47.92%) use AI branding tools. Textile segment is the most prominent among all other handicraft



businesses in adoption of AI in their branding practices. However, other traditional craft segments have also begun integrating AI into their branding efforts. This shift towards AI signifies a shift in the mindset of handicraft businesses to adapt to this transformative era and embrace AI to create a strong brand while preserving their cultural authenticity. The findings of the study clearly indicate the positive impact of AI on brand creation process. The results provide strong evidence of the positive impact of AI with 81% of the businesses experiencing an increase in digital visibility, while an improvement in content quality was observed by 86% of the businesses and 92% businesses believed that their brand's visual presentation enhanced with the use of AI. Furthermore, a majority of businesses experienced a positive overall impact of AI on brand creation. At the same time, the study also identifies certain challenges in effective implementation of AI such as time constraints, lack of digital literacy, language barriers and risk of authenticity. These challenges must be addressed and relevant supportive policies, structured training and awareness programs should be made to empower handicraft entrepreneurs to be able to use AI confidently and responsibly. In conclusion, with effective implementation and adequate support AI can act as a transformative tool, enabling handicraft businesses to sustain, grow and thrive in modern markets.

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**Charu Mehta**  
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