

# Exploring How Sri Lankan Handloom Craftsmanship can be Integrated into Local Premium Fashion as a USP

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**Abstract** – Sri Lanka’s handloom textile heritage reflects centuries of artisanal skill and cultural richness. Despite its intrinsic value, the handloom industry is underutilized in the local premium fashion sector. This study examines how Sri Lankan handloom craftsmanship can be strategically integrated into premium fashion brand identity as a Unique Selling Proposition (USP). A qualitative methodology was adopted, involving semi-structured interviews with 10 designers from 5 premium Sri Lankan brands. Thematic analysis was applied to identify recurring themes regarding perceptions, challenges, and opportunities in integrating handloom into fashion design. Findings indicate that designers appreciate the cultural and aesthetic value of handloom, but practical barriers—such as high production costs, long lead times, and limited alignment with global aesthetics—limit its adoption. Opportunities exist through modernization, collaborative design, and heritage-based storytelling. By repositioning handloom as both a material and narrative asset, particularly through capsule collections and seasonal lines, brands can achieve cultural differentiation and strengthen emotional consumer engagement. The study recommends co-creation between designers and artisans, strategic branding, and investment in modernized design processes to enhance the global relevance of Sri Lankan handloom.

**Keywords:** Handloom Heritage; Premium Fashion Branding; Cultural Differentiation

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## **I. Introduction**

Sri Lanka has a rich legacy of handloom textile craftsmanship that shows the country's cultural heritage, artisanal skill, and traditional knowledge. Despite its historical and cultural value, this craft remains underutilized in the local premium fashion market. While global fashion increasingly emphasizes sustainability, authenticity, and cultural storytelling, handloom textiles remain underleveraged as a differentiating material and narrative tool.

In recent years, there can be seen a growing interest in integrating heritage crafts into contemporary fashion to meet the demand for ethical and culturally rooted products which speaks authenticity. Handloom textiles, characterized by their eco-friendly production methods, artisanal quality, and symbolic motifs, can serve as both material and narrative tools for Sri Lankan premium fashion brands. However, challenges such as outdated designs, limited innovation, and weak branding and marketing have restricted the industry's growth and relevance in modern markets.

This study explores how the Sri Lankan handloom craftsmanship can be strategically integrated into local premium fashion brands as a Unique Selling Proposition (USP). It aims to examine the potential of handloom to contribute to brand identity development, by offering cultural value, product distinction, and emotional connection with consumers. By focusing on Sri Lankan Premium brands, the research investigates how design innovation, collaboration and co-creation between designers and artisans, and heritage-based branding strategies can elevate traditional textiles within the competitive premium fashion landscape.

This study aims to examine how Sri Lankan Handloom can enhance brand identity in premium fashion, identify barriers and opportunities in integrating Handloom into contemporary designs, and explore strategies for leveraging cultural authenticity as a unique selling proposition.

## **II. Research Problem**

Although Sri Lanka has a rich handloom heritage with strong cultural and sustainable value, its integration into the local premium fashion sector remains limited. Outdated designs, weak branding, and lack of innovation hinder its potential to serve as a unique selling proposition. This study investigates how handloom craftsmanship can be strategically leveraged through design innovation, collaboration, and heritage-based branding to strengthen the identity and competitiveness of Sri Lankan premium fashion brands.

## **III. Literature Review**

Sri Lanka's handloom textile heritage is one of the most significant part of the island's sartorial cultural identity, yet its integration into the Sri Lankan fashion industry especially within premium fashion brands remains more limited. Handloom craft offers local premium fashion brands a timely opportunity to create distinctive brand identities and achieve market differentiation through heritage-driven value propositions, as the global fashion landscape inclines more towards ongoing trends like sustainability, authenticity, and cultural storytelling.

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Handloom textiles in Sri Lanka have a deep historical and cultural value rooted in their artisanal skill, indigenous knowledge, and local identity. According to Gamaethige (2024), the local handloom craft business in particular, which is part of Sri Lanka's indigenous garment sector, serves two purposes. It promotes sustainability and preserves cultural values through long-standing traditions. The use of natural fibres, low-impact dyeing techniques, and community-based production are just a few of the ethical and aesthetic aspects of handloom that present significant opportunities for companies looking to establish themselves in the ethical fashion space.

Wanniarachchi et al. (2020) highlight that Sri Lanka's handloom weaving is predominantly practiced within rural communities, most often by women, and serves both as a livelihood source and as a custodian of cultural heritage. These craft textiles produced can serve not only as wearable fabric choices but as narrative storytelling tools to build emotional and cultural connections with consumers. This aligns with the idea that in modern branding and marketing, cultural authenticity can become an intangible but critical asset, especially in premium fashion segments (Boccardi et al., 2016).

Despite its significant heritage value, the handloom industry in Sri Lanka faces several structural and perception-based challenges. Banu (2022) identifies a lack of innovation, outdated designs, and limited branding and marketing knowledge as major barriers to growth. The handloom sector has implications to align with contemporary fashion aesthetics, especially resulting in low demand among urban and global youth markets.

Handloom textiles possess deep historical and cultural value, rooted in artisanal skill, indigenous knowledge, and local identity. Such authenticity can contribute to brand differentiation by offering products with unique cultural narratives that global fast fashion cannot replicate. While previous studies note barriers including outdated designs and weak marketing (Banu, 2022; Wanniarachchi et al., 2020), there is strong potential for design innovation and heritage-based branding to reposition handloom as a premium material.

However, Wanniarachchi et al. (2020) argue that with more focused right design interventions and collaboration efforts, traditional crafts can be value added and repositioned in modern markets. By integrating handloom into collections through co-creation between designers and artisans, premium brands can reinterpret traditional motifs and materials in ways that preserve cultural authenticity while appealing to contemporary market tastes. This process can also empower craftspeople and also rejuvenate traditional weaving clusters, making the supply chain both inclusive and more sustainable.

Furthermore, as noted by the Sri Lanka Export Development Board (2020), handloom textiles are already well-positioned in eco-conscious global markets due to their sustainability through low carbon footprint and also artisanal quality. The report itself encourages stronger collaboration between the fashion industry and local handloom producers, suggesting branding and product development as key areas for capacity building.

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In terms of the brand strategy, authenticity and heritage have become highly valued by consumers, especially in the premium fashion segment. Boccardi et al. (2016) emphasize that fashion brands can create long-term standing value by embedding authenticity and cultural storytelling into their brand identities. This approach is especially relevant for Sri Lankan premium fashion brands, which compete in a market environment already dominated by global fast fashion giants.

Gamaethige (2024) suggests a shift from imitation-based branding to value-based differentiation branding. By using Sri Lanka's handloom textile heritage as a major component of their brand identity, local brands can create unique narratives centered around sustainability, culture, and local craftsmanship.

Such differentiation is very important for brand identity development. A brand like Kelly Felder could, for an example, position itself as a modern label that blends urban chic with local tradition, offering authenticity that other global competitor fast fashion brands like Shein cannot replicate. This not only enhances consumer engagement with the brand but also promotes Sri Lanka's cultural heritage on a global platform, aligning with strategies highlighted by Gamaethige (2024).

The integration of handloom into premium fashion must be conscious, done with purpose, with a clear focus on balancing heritage with innovation. Wanniarachchi et al. (2020) propose product diversification, design modernization, and brand collaborations as pathways to elevate local handloom from traditional wear to premium fashion. This includes using handloom fabrics in structured modern pieces like blazers or formal dresses, integrating woven panels as accent features, and using traditional fabrics in limited-edition collections that promptly evoke exclusivity. Overall Sri Lankan handloom craft has a strong potential as a USP for local premium fashion brands. When paired with design innovation, collaboration, and storytelling, it can strengthen brand identity, cultural sustainability, and help brands to stand out globally.

#### **IV. Methodology**

This study uses a qualitative approach to explore how Sri Lankan handloom craftsmanship can be integrated into premium fashion brand identity. Data were collected through semi-structured interviews with 10 designers from Sri Lankan premium brands including Kelly Felder, Gflock, Dilly & Carlos, purposely selected for their role in design and brand decisions.

Interviews lasted 30–45 minutes, conducted in-person or online, focusing on perceptions of handloom, cultural value, integration challenges, and its potential as a brand differentiator.

All interviews were transcribed, and thematic analysis was applied. Codes were grouped into key themes, validated through cross-checking and comparison with literature, to identify barriers, opportunities, and design-relevant insights.

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## V. Findings & Discussion

This chapter presents and discusses the findings derived from semi-structured interviews conducted with fashion designers representing Sri Lankan premium fashion brands. The data is organized under four key themes that emerged during the analysis.

### **Theme 1-Limited Adoption of Handloom in Premium Fashion Brands**

Although designers acknowledged the cultural and aesthetic value of Sri Lankan handloom, its actual use within premium fashion remains limited. Most designers indicated that handloom is not a core fabric in their collections, as their brands aim to reflect *“a broader vision that aligns with global fashion trends and global markets.”*

While recognizing its cultural richness, designers pointed out that handloom often serves as an expensive alternative to machine-woven cotton fabrics without offering significant functional advantages. As one stated, *“Handloom fabrics offer similar practical qualities that cotton woven fabrics also offer, which are comfort, breathability, and texture.”* Another explained, *“When comfort is the requirement, especially for casual wear collections, we opt for cotton woven fabrics. Handloom could technically provide that comfort, but it's a more expensive option for the same functional result.”*

The findings indicate a gap between appreciation and application, designers see handloom as an artifact of heritage rather than a practical material choice. Consequently, premium brands prioritize global appeal over local identity in fabric selection, suggesting that cultural integration is perceived as secondary to international market alignment.

### **Theme 2 - Barriers to Handloom Integration**

All participants identified key operational challenges that restrict the integration of handloom textiles. The most commonly cited barriers were high production costs and long lead times due to the manual nature of the craft. As one respondent summarized, *“The biggest challenges are cost and lead time. Handlooms are more expensive due to the manual labor and time-consuming processes involved.”*

These challenges hinder scalability and cost competitiveness in commercial fashion, where rapid production cycles and consistent supply are essential. Consequently, many brands find it difficult to incorporate handloom into fast-paced, trend-driven premium fashion collections.

### **Theme 3 - Opportunities Through Modernization & Storytelling**

Despite the constraints, designers expressed a strong appreciation for the storytelling potential of handloom, particularly when modernized through innovative design. One designer emphasized, *“Handloom fabrics offer similar practical functional qualities as cotton woven fabrics... But what sets them apart is the cultural value it speaks. There's a sense of 'Sri Lankanness' and authenticity in handloom that adds more depth to storytelling, which could be a strong tool in brand differentiation, especially in a global market.”*

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Another added, *“What makes handloom fabrics special is the story behind those, and the heritage they carry... patterns like rainbow weaving or Dumbara give them an aesthetically significant character that basic woven fabrics often lack.”*

Designers suggested that strategic modernization, such as capsule collections for cultural occasions like Avurudu could offer viable entry points for handloom integration: *“If we were to create a special collection using handloom on modern silhouettes and market it with a strong cultural story, then yes, it would make sense and might help the brand stand out.”*

Others highlighted success in related areas, noting that *“we’ve seen successful implementations of batik blazers and formal work dresses by brands like Buddhi Batiks, which offer a personalized, sophisticated but Sri Lankan touch.”*

Additionally, there was recognition of untapped market potential among tourists and the Sri Lankan diaspora. *“Sri Lankans abroad often request batik stuff to be shipped... I believe handloom could also tap into a similar sentiment, if it was positioned well,”* one interviewee noted. Another added, *“There’s already a steady market among both locals and foreigners for sarees and lungis made from handloom... but there’s an opportunity if we reinterpret handloom craft into modern, more fashion-forward pieces.”*

#### **Theme 4 - Cultural Value and Global Appeal**

Across all interviews, there was a consensus that Sri Lankan handloom holds significant potential for premium fashion, particularly in international niche markets. Designers noted that while adoption in mainstream global fashion may be challenging, the cultural richness and storytelling embedded in handloom fabrics could strongly resonate with targeted audiences, especially the Sri Lankan diaspora.

One interviewee stated, *“I see real potential, especially with the Sri Lankan diaspora dispersed around the world. We have a diaspora community sizable by numbers, particularly in countries like Australia, the UK, and Canada. If we market Handloom through modern silhouettes and meaningful stories, I believe it could gain attention in those international niche markets.”*

Another respondent illustrated this with a geographic example: *“I do see a future for it, especially within the Sri Lankan diaspora. For example, in places like Victoria, Australia, there’s a significant Sri Lankan community by numbers. If we crafted modern designs rooted in handloom and marketed them well, I see there’s real potential for international success.”*

Designers repeatedly highlighted the importance of precise branding and intentional positioning. As one explained, *“I believe there’s real potential. If it’s positioned precisely, targeted well and marketed with purpose, it could create a global sensation, particularly in niche international markets.”* Another added, *“Yes, I do see some potential especially if it is presented well and goes hand in hand with modern consumer values.”*

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These insights underline that unlocking global appeal requires a combination of heritage and contemporary relevance through thoughtful design, storytelling, and strategic market targeting. The Sri Lankan diaspora, in particular, provides an emotional connection to the product that, if leveraged effectively, could serve as a launchpad for broader international recognition.

Overall the study reveals that while Sri Lankan handloom carries immense cultural, aesthetic, and sustainable value, its practical integration into premium fashion remains limited due to economic and operational barriers. Designers perceive it as a rich cultural asset rather than a commercial material.

However, opportunities exist through modernization, storytelling, and niche marketing. Designers show openness to adopting handloom when aligned with brand storytelling or presented as exclusive collections. The emotional appeal tied to heritage, sustainability, and authenticity aligns strongly with current global consumer preferences.

Ultimately, Sri Lankan handloom represents more than fabric, it is a cultural medium capable of differentiating local premium brands in the global market. Strategic collaboration between designers, artisans, and marketers, coupled with thoughtful design innovation, can transform handloom from a symbolic artifact into a defining feature of Sri Lankan fashion identity.

**Table 1**

*Summary of Key Themes, Findings, and Implications from Interview Data Analysis*

| <b>Theme</b>  | <b>Key Findings</b>  | <b>Implications</b>   |
|---|--|---|
| 1. Limited Adoption of Handloom in Premium Fashion    | Designers appreciate handloom's cultural and aesthetic value but rarely use it; prefer modern, globally aligned aesthetics. Cost and consistency issues limit its inclusion. | Handloom is valued symbolically, not practically, indicating a need for strategic repositioning to link culture with modern fashion relevance.    |
| 2. Barriers to Handloom Integration                   | High production cost and long lead times due to manual labor make handloom less viable for fast-paced, price-sensitive fashion cycles.                                       | Commercial inefficiencies hinder adoption; modernization or scalable artisanal models may be needed to compete with industrial fabrics.           |
| 3. Opportunities Through Modernization & Storytelling | Designers see strong storytelling potential when handloom is modernized and marketed with cultural narratives (e.g., capsule collections, Avurudu lines).                    | Combining heritage storytelling with modern design could create niche appeal and brand differentiation, especially for local or diaspora markets. |
| 4. Cultural Value and Global Appeal                   | Handloom has potential in international niche markets, particularly among the Sri Lankan diaspora; success depends on precise branding and storytelling.                     | Leveraging emotional and cultural connections through modernized handloom can enhance global visibility of Sri Lankan brands.                     |

## **VI. Recommendations**

Based on the findings of this above study, these following recommendations are made for designers, brand strategists, etc aiming to promote the purposeful integration of handloom into premium fashion;

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### ***Develop Capsule Collections with Cultural Significance***

Particularly during culturally significant events (e.g., Avurudu, Independence Day) introduce limited-edition or seasonal collections that combine modern silhouettes with traditional handloom fabrics. This allows for brand distinction without putting pressure on full-scale integration into all product lines.

### ***Co-Create, Collaborate with Artisans to Foster Innovation***

Creating direct collaboration efforts between fashion designers and local weavers to co-create exclusive handloom fabrics to blend tradition with modern aesthetics. This can improve product relevance to the modern market while empowering artisan communities and ensuring cultural value preservation.

### ***Invest in Branding and Storytelling***

Develop strong narrative-driven marketing campaigns that highlight the heritage, sustainability, and artisanal value of handloom textiles. Brands should use digital platforms, in-store visuals, and packaging to tell the story behind the fabric and the people who make it.

### ***Enhance Supply Chain Flexibility***

Encouraging flexible production models is also another recommendation. Such as pre-order systems or small-batch production. That can accommodate longer lead times associated with handloom weaving. This could be supported by integrating more agile logistics or aligning capsule drops with cultural calendars.

### ***Target Diaspora and Ethical Consumers***

Position handloom-integrated products for export by targeting mostly the Sri Lankan diaspora and also global consumers who value ethical fashion. These audiences are more likely to connect emotionally with the cultural roots of the product and also accept its premium pricing.

### ***Provide Capacity Building for Handloom Clusters***

Government and industry bodies should invest in training weavers in contemporary design trends, fabric innovation, and business skills. Through this the product-market fit will be increased and also the commercial viability of handloom fabrics in the modern fashion market will be positively influenced.

### ***Position Handloom as a Brand Differentiator, Not Just a Fabric Choice***

A perspective shift from viewing handloom as merely a textile alternative to recognizing it as a brand-building element is recommended. When embedded into the identity and ethos of a brand, handloom can become a long-term differentiator that cannot be easily replicated by global fast fashion competitors.

In conclusion, the strategic integration of handloom into premium fashion has its own challenges, but it offers significant cultural, ethical, and branding advantages too. With targeted design,

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innovation, and branding approaches, Sri Lankan fashion brands have the potential to not only preserve their textile heritage but also redefine it as a contemporary asset in global fashion markets.

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