

---

**mLAC Journal for Arts, Commerce and Sciences (m-JACS)**

Volume 2, No.2, June 2024, P 7-14

ISSN: 2584-1394 (Online)

---

**DIGITAL TRANSFORMATION OF COTTAGE UNITS  
FROM TECHNO ILLITERATES TO TECHONOCRATS  
WITH SPECIAL REFERENCE TO MARKETING**

Dr. M. Subasini \*\*1

<sup>1</sup>Assistant Professor of Commerce, V.V.Vanniaperumal College for Women, Virudhunagar

\* Corresponding author email address: subasini@vvvcollege.org

DOI: <https://doi.org/10.59415/mjacs.v2i2.193>

---

**Abstract**

Cottage industries are a major breadwinner for many households in India. Cottage businesses have one advantage that they can be started with very low initial investments, so this type of business is ideal for people with low incomes/villagers. In addition to that, the raw materials to manufacture cottage unit products are available easily in their surrounding environment. The cottage and small scale industries hold enormous potential for employment generation. Additionally, a person working in such an industry is basically a self-employed one. Cottage and small scale industries take part in about 40% of the total industrial output in India. There are approximately around 3,50,000 units within the state of Tamil Nadu, providing employment to over 2.2 million people. Furthermore, it has been empirically found out that this industry has provided economic independence to the women in developing and developed countries. Moreover, the whole family involves in producing items in this industry, hence it facilitates numerous families with an employment option throughout the year.

**Keywords:** Affiliate marketing, Referral marketing

---

**1. Introduction**

Cottage units are the one run by an individual with the help of his family members with very little amount of capital. Most of the cottage units do not use power. The products produced in cottage units are usually to satisfy the local demands. Number of labour hired in this sector is very limited and the capital investment is also small. Thus, cottage units are the small-scale, decentralized manufacturing business often operated out of a home rather than a purpose-built facility. They often focus on the production of labor-intensive goods but face a significant disadvantage when competing with factory-based manufacturers that mass-produce goods.

**2. Role of cottage units in developing countries**

Cottage units play a significant role in the economies of developing countries. Developing countries also are more likely to have a comparative advantage in the use of labor compared to the use of capital, allowing them to produce labor-intensive goods more cheaply than developed countries. Because cottage units may employ labour methods that are heavily reliant on traditional tools and machinery or which require the use of hands, they are more likely to see lower productivity. Thus, even though they may employ a large portion of the population, they may not produce a proportional amount of output. Their production rate is meager only.

Cottage units also are an important source of employment, especially in rural areas. For farmers, operating a cottage industry out of the home can supplement the income raised from selling crops. In winter, when farming activities tend to abate, a cottage industry can create extra income. For small villages, a cottage industry can allow local residents to come together to produce crafts for sale in local markets or even for export to larger cities. While business operating in cottage units may remain small, they still have to compete with other firms, whether other cottage units, medium enterprises, micro enterprises or larger-scale companies. This requires them to employ new technologies that will improve efficiency and productivity.

### **3. Statement of the problem**

In our society, every one depends upon others for their needs. The manufacturer produces the goods/services by considering the expectation of the customers. Similarly, the customers bought/use the goods/services produced by the manufacturers. Marketing acts as a link between manufacturer/producer and customers. The businessmen forecast the demands of the customers via market survey. The customers express their expectations regarding the products/services.

By considering this, the manufacturers are engaged in product modification, process modification, product development, market development and product elimination. The businessmen reach the minds of the customers via brand name/symbols. Brand maintenance is one the foremost important duty of the business concern. The brand name, product name and its description must be again and again reminded to the customers. This will help to retain the existing customers, develop loyalty of the current customers and attract the attention of new customers. This is possible through advertisements.

In the traditional era, advertisements are given in newspapers, notices and wall boards. After that, it may given in radio and televisions. In the modern era, advertisements in the website and social media advertisements are more popular. While giving advertisement, the businessmen consider the advertising agency and budget allotted for advertisements. Personal selling and sales promotion methods are also used to promote sales. Hence, it is known that every organization whether it is micro, small, medium or large, marketing is essential. In this study, marketing strategies for cottage industries are studied. Cottage industries are small units of business. They run their business with minimum financial resources. They have limited money or lack of money to engage in marketing activities. As the revolution of technology, digital advertising is a boon to entrepreneurs to cross the geographical boundaries and reach large number of customers. Hence, an attempt has been made to study the opinion of the cottage units towards digital transformation.

### **4. Scope of the study**

The present study does not focus on operational performance of cottage units. It focuses only on digital transformation of cottage units i.e. shifting of cottage units from traditional marketing approach to modern marketing approach.

### **5. Objectives of the study**

The objectives of the study are as follows:

- To study the business profile of the respondents
- To measure the level of awareness of the respondents towards digital marketing strategies.

### **6. Research methodology**

The methodology of the research covering methods of data collection, instruments used for data collection, sampling design, statistical tools used for data analysis, hypotheses of the study and area of the study are described as follows.

### **7. Data Collection**

The study is based on both primary and secondary data. The primary data has been gathered from 171 cottage unit proprietors. The secondary data has been collected from books, magazines, journal and encyclopedias.

### **8. Instruments Used for Data Collection**

The primary data will be collected from 171 cottage units by using well structured and pre-tested questionnaire. Based on the pilot study, some of the unwanted and unsuitable questions will be removed from the instrument and few

questions were simplified. The result of the pilot study will be useful for the researcher to frame the final questionnaire for collecting information from the respondents.

## **9. Sampling Design**

In Virudhunagar, 53 revenue villages are there. In the 53 revenue villages, totally 306 cottage units are there. Rao's calculator is used to determine the sample size. The population of 306 is fed in the Rao's calculator. At 95 per cent level of significance, the sample size is determined as 171 business units. For the collection of primary data from 171 cottage unit proprietors, convenience sampling technique will be used in this study.

## **10. Statistical Tools Used for Data Analysis**

Percentage analysis has been used to analyse the frequency tables. Factor analysis has been used to analyse the strategies adopted by cottage industries to handle crisis in Covid 19.

## **11. Area of the Study**

The area of the study is Virudhunagar.

## **12. Digital marketing strategies**

The digital marketing strategies suitable to cottage units are as follows:

### **12.1 Content Marketing**

Content marketing is a tactical marketing approach based on innovating and delivering precious, pertinent and reliable content to draw the attraction of customers. The contents are related to products and brand. Now a days, websites are the contemporary business card. People always use Google to search information to satisfy their needs. A website is the base of a marketing plan. Companies reach the customers with more information via website. The cottage units have to create a gorgeous content for their products and display it in a website. For publishing the content in website, it follows 3 steps.

- Obtain a domain name
- Sign up for web hosting
- Acquire a content management software

### **12.2 Social Media**

Social media marketing is to bring into play social media platforms to join the customers and business to generate brand awareness, build up brand loyalty and enlarge sales. Social media occupy an enormous position to construct user-generated content and obtain feedback. The major social media platforms are Facebook, Whatsapp, Instagram, Twitter, LinkedIn, Pinterest, YouTube and Snapchat. The cottage units have to advertise their products in Whatsapp status and it will reach more customer base.

The cottage units may give their advertisements in whatsapp so as to reach the customers. They may describe their products Whatsapp status either by typing text and creating simple videos with the help of free multimedia programme.

### **12.3 Search Engine Optimization (SEO)**

SEO is the method of civilizing the website and online incidence, both on-page and off-page to perk up its rankings in search engines like Google. Most people look for information online and sometimes difficult to get information due to heavy website's traffic. This problem is minimized by optimizing the website for SEO. Through deliberate SEO, the business can introduce itself in an easier way. Now a days, many software companies are there and with the help of these companies, the business man can optimize their search engine.

Publishing business content in a website is a need of an hour. Cottage units are not an exception to this. Amount spent for publishing content in a website is relatively low when compared to media advertisements. The cottage industry has to publish its content (text, audio, video, images, or combination of both) in website and optimize the search engine to reach the customers in a faster way.

#### **12.4 Email Marketing**

Email marketing helps to reach the customers apart from boundaries. The businessmen have to segment the market as per socio-economic, culture, economic and technological aspects. It is essential to create an email id in the name of the business and collect the user id of the email account. From the business mail id, the propaganda of the products/services will be communicated to the customers. Most of the customers have a tendency of checking the mail as they have got intimation in the smart phones. The content given in e-mail must be in the nature of pull based marketing. The nature of the product, price of the product, place in which products available, discount facilities and door delivery options (if available), communication address should be clearly mentioned. It is will influence the purchase decision of the customers successfully. Creating mail id and sending mail id does not require more technological knowledge. It is the simplest one. Hence, email marketing may be an effective marketing strategy for the cottage units.

#### **12.5 Affiliate marketing**

Affiliates are a lucrative method to fabricate turnover without adding huge predetermined marketing expenses like advertising. When affiliate programmes are conducted effectively, it will improve the profitability of the business. These affiliates can acquire the form of influencers, content publishers and review or coupon sites. The general target of an affiliate program is to construct a win-win structure for both brands and their affiliate partners. When an arrangement is innovatively established and tactically managed, it will increase a significant portion of a revenue of the business.

Affiliate marketing is useful to the cottage units who have websites and published their content in websites.

#### **12.6 Referral marketing**

The customer who is happy in the products/services of the business, they may act as reference source to others. The satisfied customer shares their views about the product to the friends, relatives, neighbours, etc. Referral marketing is dispersal the statement about a product or service through a business' existing customers to the future customers. It is the simplest, cheapest and quickest way to develop business. It is most suitable to cottage units as it most cost-effective for dissemination of information.

### **13. Analysis and discussion**

In this section, the business profile viz., years of running the business and products produced have been taken into account.

Table 1

**Business Profile of the Cottage Industries**

Business Profile		No. of Respondents	Percentage
Year of running the business	Below 5	58	33.92
	5-10	71	41.52
	Above 10	42	24.56
Products produced	Honey candy	13	7.60
	Snacks	20	11.70
	Pickles	22	12.87
	Masala powder	12	7.02
	Temple ghee lamps	24	14.04
	Dry fish packets	6	3.51
	Papad	18	10.53
	Parotta	16	9.36
	Home made jaggery sweets	19	11.11
	Soap oil	21	12.28

Source: Primary data

**14. Years of Running Business Wise Classification**

Out of 171 cottage industries, 71 (41.52%) have run the business for 5-10 years, 58 (33.92%) have run the business for below 5 years and 42 (24.56%) have run the business for above 10 years.

**15. Products Produced Wise Classification**

Out of 171 cottage industries, 24 (14.04%) have manufactured temple ghee lamps, 22 (12.87%) have made pickles, 21 (12.28%) have manufactured soap oil, 20 (11.7%) have prepared snacks, 19 (11.11%) have manufactured home made jaggery sweets, 18 (10.53%) have made papads, 16 (9.36%) have prepared parotta, 13 (7.6%) have manufactured honey candy, 12 (7.02%) have prepared masala powder and 6 (3.51%) have packed dry fishes.

**16. Opinion of the respondents about digital marketing strategies**

Six statements indicating digital marketing strategies such as content marketing, social media, Search Engine Marketing (SEO), email marketing, affiliate programs and referral marketing about customers have been framed. The opinion of the respondents towards those statements is measured with the help of Likert’s five point scaling technique.

Table 2 depicts the opinion of the respondents about digital marketing strategies.

**TABLE 2**

**Opinion of the Respondents about Digital Marketing Strategies**

Digital Marketing Strategies		Very high	High	No opinion	Low	Very low
Content marketing	Count	33	42	41	32	23
	%	19.30	24.56	23.98	18.71	13.45
Social media	Count	36	12	41	54	28
	%	21.05	7.02	23.98	31.58	16.37
Search Engine Optimisation	Count	44	50	27	16	34
	%	25.73	29.24	15.79	9.36	19.88
E-mail marketing	Count	28	67	67	3	6
	%	16.37	39.18	39.18	1.75	3.51
Affiliate programs	Count	31	57	33	21	29
	%	18.13	33.33	19.30	12.28	16.96
Referral marketing	Count	33	19	48	35	36
	%	19.30	11.11	28.07	20.47	21.05

Source: Primary data

In order to find out the reliability of the statements, Cronbach alpha test is used. The Cronbach Alpha test results are presented in Table 3.

**TABLE 3**

**Opinion of the Respondents about Digital Marketing Strategies –  
 Cronbach Alpha Test Results**

No. of Statements	Cronbach Alpha	P value
6	0.805	0.000

Source: Primary data

The Cronbach Alpha reliability scale of the six statements is 0.805 which shows that the opinion given by the respondents towards the six statements are good.

**17. Level of Awareness of the Respondents about Digital Marketing Strategies**

When all the respondents gave strongly agree opinion to all the six statements, the score obtained by the respondents is 30. When all the respondents gave strongly disagree opinion to all the six statements, the score obtained by the respondents is 6. So the total score obtained by the respondents range from 6 to 30. Mean and standard deviation values are calculated from the total score. The mean and standard deviation values are 14.23 and 5.27 respectively. The score values greater than + S.D. and the score values less than – S.D. have been classified as high level awareness and low level awareness, respectively. The score values between (X+ S.D.) and (X-S.D.) have been classified as medium level awareness.

Therefore,

- + S.D. (14.23 + 5.27) = 19.5 = 20 and above - High level awareness
- S.D. (14.23 – 5.27) = 8.96 = 9 and below - Low level awareness
- ( - S.D) and (□X + S.D.) = 10 to 19- Medium level awareness

The respondents who scored 20 and above belong to high level awareness category, the respondents who scored 99 and below come under low level awareness category and the respondents who scored between 10 and 19 are in medium level awareness category.

Table 4 shows the level of awareness of the respondents about digital marketing strategies.

**TABLE 4**  
**Level of awareness of the Respondents about Digital Marketing Strategies**

Level	No. of Respondents	Percentage
High	24	14.04
Medium	78	45.61
Low	69	40.35
Total	171	100.00

Source: Primary data

Out of 171 respondents, 78 (45.61%) belong to medium level awareness, 69 (40.35%) have high level awareness and 24 (14.04%) have low level awareness about digital marketing strategies.

### **18. Findings of the study**

18.1 Out of 171 cottage industries,

71 (41.52%) have run the business for 5-10 years

24 (14.04%) have manufactured temple ghee lamps

18.2 Six statements indicating digital marketing strategies such as

Content marketing,

Social media,

Search Engine Marketing (SEO),

Email marketing,

Affiliate programs

referral marketing about customers have been framed.

18.3 The opinion of the respondents towards those statements is measured with the help of Likert's five point scaling technique.

18.4 In order to find out the reliability of the statements, Cronbach alpha test is used.

18.5 The Cronbach Alpha reliability scale of the six statements is 0.805 which shows that the opinion given by the respondents towards the six statements are good.

### **19. Suggestions**

It is suggested that the cottage units have to search the digital marketing techniques which is cost friendly and may adopt it. In this study, opinion of the cottage units towards six digital marketing techniques have been studied. The six marketing techniques are less costly when compared to other marketing techniques.



---

## 20. Conclusion

The economy of any nation boosts up only when the business sector blooms. Industrial revolution pumps the attitude of starting business among the people. If sufficient resources are available, people may start business in a large level. When resources are limited, they do their business in a micro, small or medium level. (Subasini, 2021). Some of them start their business and carry out their production in their homes. While business operating in cottage units may remain small, they still have to compete with other firms, whether other cottage units or larger-scale companies. Marketing had given life to the products manufactured by the business firms. It helps to popularize the products and stimulate the people to buy again and again. The cottage unit owners adopted traditional marketing techniques to boost up their growth. Now the world is in the hands of technology. Digital marketing technique crossed the geographical boundaries and reach wide number of customers. It is cost effective and time saving one. Digital marketing techniques are flexible to use. It is the correct stage to transform traditional marketing to digital marketing. So, each and every business unit has to engage in digital market. Cottage units are not an exception to this. The present study depicts lot of digital marketing techniques. When all cottage units utilise it, which will definitely revamp the cottage units from recession and pump blood in the life of the business unit.

## References

1. Biswas and Swati, (2017). The Impact of Issues and Challenges on Cottage Industry in Rural West Bengal: An Empirical Study, *International Journal of HIT Transaction on ECCN*, 3 (1A), 21 -28.
2. Dwivedi, R.K. (2000). *Research Methods in Behavioral Sciences*, Mumbai: Macmillan Publishers.
3. FerserVerdoo. (2001). *Research Methods in Economic and Business*, Mumbai: Macmillan Publishers.
4. Fred R David. (2014). *Strategic Management Concepts and Cases*. London: Francis Marimon University Press.
5. <https://www.studocu.com/en-gb/document/university-of-the-west-of-scotland/research-methodology-and-proposal/literature-review/1559347>
6. Kanishk Verma, (2019). A Study of Marketing Strategies of Cottage Industry and its Implications, *Advances in Economics and Business Management (AEBM)*, 6 (1), 14-16.
7. Khan. (2018). Study of Handicraft Marketing Strategies of Artisans in Uttar Pradesh and its Implications, *Research Journal of Management Sciences*, 2(2), 23-26
8. Merlin Thanga Jay (2018). Emerging Opportunities and Challenges for Cottage Industries in India, *International Journal of Scientific and Research Publications*, 3 (3)
9. Pauline V. Young. (2000). *Scientific Social Surveys*, New Delhi: Prentice Hall of India.
10. Shilpa Chheda. (2020). Impact of Social media Marketing on Performance of Micro and small Business, D. Y. Patil University, Mumbai, M.Phil. Disseration.
11. Subasini, M. (2021). Performance of Cottage Units in Virudhunagar During Covid 19, *International Journal of Innovative Research In Technology (IJIRT)*, 8 (3), 653-657.
12. Subasini, M. (2021). Banks – A Connecting Link between Government Schemes and Cottage Units, Presented in International Conference, March.
13. Syed Hasan. (2017). Spatial analysis of small and cottage industries in Punjab, Pakistan, *International Growth Centre, London School of Economic and Political Science, Houghton Street, London WC2A 2AE*, ref. no. F-37310-PAK-2
14. Tarun Gupta (2019). Rural Marketing: Looking Ahead, *International Journal of Management Research and Review*, 2 (1).
15. Venkatraman, M, and Banu, Shahar, A. (2015). A Study on Marketing of Small Scale and Cottage industry products, *International Journal of Multidisciplinary Research and Development*, 2 (4).