

IMPLICATIONS OF MARKETING STRATEGY ON CONSUMER BEHAVIOR IN COTTAGE INDUSTRY SINCE COVID19

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Abstract

In the time of web and media showcasing when every business is flourishing to step into the market with its products or services, the little scope ventures in provincial zones generally known as the small scale or cottage industry have no admittance to the electronic media. This industry includes the manufacturing of generally handmade items going from characteristic body care items, food, furniture, home style, textile, khadi, and some more. The business is commonly restricted to the neighborhood geological region as it by and large does not have the capital and credit stream for any development to another region. Due of the absence of market information, buyer points of view, purchasing choices, market techniques, and their prepared selling situations, the small-scale industries can't enter the mainstream market as contenders. In India, the household business gives a work stage to a great deal of rural families. It likewise has a tremendous potential to take into account the necessities of the semi-urban and urban populaces in different classes of products. With the advancement of the cottage business, the Indian economy will likewise observe tremendous benefits. The Indian government has taken numerous activities and propelled a few plans towards making the sector a composed area. This research will focus on the customers and their viewpoint toward cottage industry items which will empower this sector to settle on choices in their showcasing their products.

This research during the study incorporates the pandemic situation and the emotional factors of Indian consumers influenced by the Atmanirbhar Bharat and the local drive campaign in India during the pandemic.

It has identified moderate to strong positive relationship between perceived risks, internet marketing and emotional factors that were influenced by the Atmanirbhar Bharat and the local drive campaign in India during the pandemic. Additionally, this research observes the highest value of Pearson correlation coefficient than emotional factor or perceived risks indicating comparatively stronger positive relationship with the consumer buying behavior towards cottage industry products. It can likewise be reasoned that Internet showcasing can likewise be utilized to impact the essential element of buyers that is affected during the pandemic age.

Key words: Perceived Risks, Consumer Behavior, Internet Marketing, Cottage Industry

Introduction

In the age of internet and media marketing when every business is thriving to step into the market with its products or services, the small-scale industries in rural areas widely known as the cottage industry have no access to the electronic media. The cottage industry lives in an unorganized business environment in most rural parts of India. This industry involves the manufacturing of mostly hand made products ranging from natural body care products, food, spices to furniture, home décor, carpets, textile, khadi, and many more. The business is generally limited to the local geographical area as it generally lacks the capital and credit flow for any expansion to a new area. Although there are few businesses where artisans in one season sell their crafts to the semi-urban or urban population. This clearly shows that these products are not dependable in the eyes of the urban and semi-urban consumers as they have multiple alternatives in various categories of products. Due to the lack of market knowledge, consumer perspectives, buying decisions, market strategies, and their seasoned selling scenarios, these businesses are unable to enter the market as rivalry or competitors. In India, the cottage industry provides an employment platform to a lot of rural families. It also has a huge potential to cater to the needs of the semi-urban and urban populations in various categories of products. With the development of the

cottage industry, the Indian economy shall also see huge profits and employment generation in the future. The Indian government has taken many initiatives and launched several schemes towards making the cottage industry an organized sector. This research will focus on the consumers and their perspective toward cottage industry products which will enable these businesses to make decisions on their marketing ideas.

Significance

Developments in technology, machinery, strategic management and supply chain in the semi urban and urban areas have given cottage industry a tough time for past many years. In the process of selling the manufactured products in the market, the middleman often makes huge profits and a very small portion of the amount reaches the manufacturers of these cottage products. Workers in the handloom or power loom industry face heavy competition due to lack of well-equipped technologies and also there is very less potential for any further innovation in a labor-intensive market where most products are handmade. With these challenges, it becomes essential to market the cottage products well so as to increase their sales. The advancement in internet marketing that is already helping a lot of businesses to strategize their marketing techniques can also be very well applied on cottage industry. In addition, market research along with consumer perception towards hand made products should also be studied. This research aims to identify the extent to which the factors like internet marketing, financial and quality risks and the sociological changes in Indian consumers post the vocal for local campaign are affecting the consumer buying behavior toward cottage products.

Research Objective

After stating the challenges and scope of cottage industries, the government scheme, marketing strategies applied by businesses and the Indian campaign of self-reliant and self-sufficient nation, the research problem is to question “whether a relationship exists between Internet marketing, the perceived risks, the emotional factors associated with the campaign and the buying behavior of consumers towards cottage industry products.”

Review of Literature

The literature review covers a series of research conducted on cottage industry in Indian Market that includes the study of challenges scope and utilization of internet marketing and social media strategies to boost sales of cottage products. Kanishk (2019) stated urban industry is most seasoned in India and is confronting rivalry from medium and small-scale industry. This study revealed that that cottage industry has gigantic potential. Ethnic specialty items and handicraft works are exceptionally famous in domestic sector. Different ethnic and indigenous items draw in merchants and also attracts consumers. A portion of the items are more expensive than huge scope industry items. Regardless of the endeavors by government associations, Cottage industry despite everything faces dangers from huge scale ventures. Government should concentrate on showcasing the products to a wider audience and focus on the advancement and change conventional promoting rehearses and give sufficient credit, framework and mechanical uphold. Domestic industry needs marking of items. A decent showcasing system is useful in the advancement of domestic or cottage industry. Syed Khalid Hashmi(2012) concluded in his research that The small scale industry or cottage industry has crucial role in the development of the economy of India. It gives work to a huge fragment of people in rustic and semi urban territories and produces significant trade for the nation. The handicraft sector does not stand as competitors with other industries due to its unorganized nature, with the extra limitations of absence of technology, low capital, and helpless introduction to new advances, lack of knowledge of market insight, and a poor institutional structure. Anyway, Indian Handicraft has extraordinary development potential in the changing situation with its fundamental quality being the plentiful and modest accessibility of labor. Anyway it faces approaching danger from the developing clout of Chinese economy combined with their modest yet trained work as additionally from prevalent quality items produced by nations. Ismail(2015) concluded a strong relationship between the marketing strategy and customer retention in handloom industry. The marketing strategy here consists of the 4P's pf marketing including product, place, price and promotion. In the research by Badsha(2015) on clay doll industry, it was found that craftsman will get greatest benefit from their own business if government's formal and casual backings will come time to time as they required quite far. The industry of clay doll will stay novel if

government attempts to improve the monetary status of the people groups associated with the claydoll making industry. The minimal effort of crude materials and business and exchanging of the items with advancing techniques and research focus will be a huge financial help for the Clay Doll Cottage Industry Of Ghurni, of Nadia just as WestBengal.

The second section is the study of internet and social media marketing. Neti(2011) research confirmed the importance of social media stating that in the current scenario organization or any individual cannot afford to ignore the online media. Businesses today cannot make marketing strategies with considering the online media. It is in fact at this point of time no more considered a Web 2.0 – as we would find its presence in not only offices but also at individual homes and other organizations involved in philanthropic work. The scope of online media is now broadening day by day . After utilizing the online media individuals and business organizations not only feel empowered but also consider this as a marketing channel. Blogging can have an exceptionally beneficial outcome on your Company's marketing and development. “Whether you are an individual, a startup, small business or a large corporation, an online presence and an ongoing conversation with your constituents is a baseline requirement -- and will take time and expertise. Companies are diverting resources and rethinking their traditional outreach strategies.”. Istatuk Budi(2016) researched about few strategies that can help in improving profits of small scale or home based industries. Creating equivalent organization through participation or coordination between the legislature and businesses (SMEs) to stock an assortment of current issues identified with business improvement, creating a quality item can be upheld with item includes that can last longer without trading off the wellbeing component of the item itself, utilization of web innovation for advancing through online media advertising so as to arrive at a more extensive buyer base and maintaining the quality and cleanliness of production and warehouse. Francesca Maria Cesaroni(2015) stated that Little firms are beginning to understand the significance of web-based media and virtual channels to accomplish business objectives and are bit by bit figuring out how to exploit from the utilization of such advancements. Anyway, online media are frequently presented in light of the fact that they are considered "trendy", since organizations feel "constrained" to utilize them as "all other organizations do it. Since social media is not usually involved in business processes and in creating competitive advantage, the use of media marketing is often underestimated.

Scope of Indian Cottage Industries

Cottage industry are not exactly small-scale industries, they are different in lines of the money invested, the no. of people involved, the organization of the business. Before starting with the consumer buying intentions, perspective and dependent factors, let's understand the significance of cottage industry in India. Cottage businesses for most rural families are major sources of income and a lot of women have felt empowered and have become financially independent by engaging in these businesses. It should also be noted that most workers here are the artisans or craft men who have acquired or inherited the skills from their ancestors. One should also note that cottage industry and small-scale industry together account for 80% of employment in the manufacturing sector. Also, around 45% of the manufacturing industry exports comes from these businesses. With very limited resources, the labor divides the capital into very small parts and anything extra will largely lead to more labor with a small unit of capital. The industry with very high potential of employment generation is also well versed in working with scarce resources.

India often faces shortage of skilled workers and laborers in semi-urban and urban population and this is also why India is dependent on huge imports of manufactured goods and setting up heavy industries in large numbers requires a lot of capital and skill. Cottage industry which is also labor intensive can fulfil this shortage of goods.

Indian government initiatives to support small scale industries

Small scale industries board

It is a board constituted to give advice to Government on all issues related to small scale sector, it was initially found with a board of Agro and Rural Industries but later on it was split into SCI Board and “Agro and Rural Industries board” in 2001. Small scale industries require much labour and so they create majority of employment in country in India. Small scale industries account for 40% of total manufacturing in India, so government always tries to bring economic reforms in this area for the benefit of the rural sector.

Khadi and Village Industries Commission

Started in April 1957 by the Govt. of India, under the Act of Parliament, with an aim to administer and assist the khadi and village industries in the rural areas along with other agencies involved. The major objective is to generate employment in rural areas along with the provision of saleable articles. **Interest Subsidy Eligibility Certification Scheme** that funds this programme, also provides loans to members in order to facilitate them with the working capital requirements. Majority of funds are used for sales rebate which is a promotional strategy, including other areas like Training, Marketing, publicity, Interest subsidy on loans etc. There are around 15000 sales outlets in India and in them 50% are owned by commission.

Indian Silk Board

Formed in 1948, the board aims to advance the research and technology in silk industry, to improve efficiency and productivity during the process of silk production.

The activities involve deriving the steps for the improving the methods cultivation of mulberry, rearing the silkworm, developing and distributing the healthy silkworm seeds. In addition, it also works on improving methods of silk reeling and spinning of the cocoons and silk-waste.

Implications of coronavirus on cottage industry

Coronavirus pandemic that hit India in the early 2020 has impacted a lot of businesses but cottage industry is certainly most vulnerable and the economic implications are worse than on any other businesses. With the advent of crisis, millions of migrant laborers lost their job as the entire manufacturing of products came to a halt. This happened due unorganized nature of this sector. Most of the cottage industries are not even registered as the size of the business is too small. Due to this, they also have no records of accounts and lack financial planning. Government is then unable to identify the unregistered businesses and the subsidies for small scale industries never reach these families. This cash unavailability made the cottage industry most vulnerable among all the other businesses.

‘Go-Local’ drive in India

In the current economic scenario, the world witnesses open economies where there is continuous inflow and outflow of money, technology, culture, knowledge etc. After India gained independence, till 1991, the economic policies were focused on importing only those products that would not harm the domestic industries but post that with the huge advancement in technology, the manufacturing small scale industries saw a huge downfall. After the advent of coronavirus, India decided to follow the long-forgotten movement of ‘swadeshi’. Prime minister announced a package for the new campaign name Atmanirbhar Bharat or the drive and motivation to use the local products to save the domestic industries. This campaign also influenced Indian consumers and their buying behavior. This research also aims to understand the implications and effect that this campaign has on the buying behavior of consumers towards cottage industry products.

Research methodology

This research has collected a primary data based on a survey conducted for a population who has the buying capacity and access to cottage industry products. Convenience sampling was used to gather the primary data with 229 respondents. The questionnaire's first part consists of personal questions like name age and gender and the second part consists of few questions with respect to each of the independent and dependent factors.

The research is using the correlation and regression technique to analyze the relationship between perceived risks, internet marketing, emotional factors influenced by atmanirbharbharat and buying behavior of consumers with respect to Cottage industry.

Hypotheses

From the above states research objective and framework and research, research will take into account three null hypotheses in order to understand the relationship between internet marketing, perceived risk, campaign emotional factor and buying behavior of consumers with respect to cottage industry products.

Null hypotheses (H1): There is no significant relationship between perceived risk and buying behavior.

Null hypotheses (H2): There is no significant relationship between internet marketing and buying behavior.

Null hypotheses (H3): There is no significant relationship between campaign emotional factor and buying behavior.

Analysis and interpretation

Reliability test

In order to test the internal consistency, validity and reliability of all the variables under study, alpha model named Cronbach's test is conducted. This value of the reliability coefficient is between 0 to 1. The closer the coefficient value is to 1, more reliable is the data. The value of Cronbach's Alpha is that 0.7 for all the factors under study. Hence, this procedure of consistency test is assured.

Correlation

Correlation test is a measure of the relationship and association between two variables. It also signifies the direction or relationship existing between two variables. The coefficient of Pearson Correlation denotes the deviation of the data points from the ideal data line. The value of this coefficient usually vary from -1 to +1. This research attempts to analyze the correlation between buying behavior with perceived risks, internet marketing and campaign emotional factors. Table 1 consists of data value signifying correlation between each of these variables.

In Table 1, the variable Abbreviations are as follows:

PR: Perceived Risks

IM: Internet Marketing

EF: Emotional Factors

BB: Buying Behavior

It can be observed from table 1 that the correlation coefficient is 0.459 between perceived risks and buying behavior. This association seems moderate as risks does not seem strongly correlated with the buying behavior. The relationship between Internet Marketing and Buying Behavior is 0.564 which denotes a relatively stronger association of the two variables. The Pearson correlation coefficient of Emotional Factor (due to Atmanirbhar

campaign) stands at 0.531 which also denotes strong correlation with buying behavior of consumers in the cottage industry.

Hence, it observed that Perceived Risks, Internet Marketing and Emotional Factors have a moderately positive correlation with the buying behavior of India consumers towards cottage industry.

		PR	IM	EF	BB
PR	Pearson Correlation	1	.551**	.400**	.459**
	Sig. (2-tailed)		.000	.000	.000
	N	228	228	228	228
IM	Pearson Correlation	.551**	1	.547**	.564**
	Sig. (2-tailed)	.000		.000	.000
	N	228	228	228	228
EF	Pearson Correlation	.400**	.547**	1	.531**
	Sig. (2-tailed)	.000	.000		.000
	N	228	228	228	228
BB	Pearson Correlation	.459**	.564**	.531**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	228	228	228	228

Table 1: Pearson Correlation

Regression analysis and findings

This section denotes the output of regression analysis. Table 2 presents the Model Summary. Here, the value if adjusted R square is 0.401 which signifies 40 % of the data variation can be explained by the existing model under study.

Model Summary				
Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.639 ^a	.409	.401	.576758578112497

Table 2: Model Summary

Table 3 shows the analysis of variance consisting of sum of squares, degree of freedom, mean squares, F value and the significance value. It can be observed for the ANOVA table that value of regression is 51.538 which

means that 52% of the variance can be determined using regression. A significance value of 0.000 denotes that the test is highly significant and it is now evident to state that a relationship exists between the independent and dependent variables under study.

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	51.538	3	17.179	51.644	.000 ^b
	Residual	74.514	224	.333		
	Total	126.052	227			

Table 3: ANOVA

Regression equation

Unstandardized coefficient values of perceived risks, internet marketing and emotional factors is displayed in table 4

Based on this table, this research derives a regression equation for the regression line.

$$BB = 1.133 + 0.166(PR) + 0.262(IM) + 0.264(EF).$$

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.133	.232		4.889	.000
	PR	.166	.060	.171	2.743	.007
	IM	.262	.058	.310	4.547	.000
	EF	.264	.056	.294	4.738	.000

Table 4: Regression Table

Hypothesis testing

Null hypotheses (**H1**): is rejected. There is a significant relationship between perceived risk and buying behavior.

Null hypotheses (**H2**): is rejected. There is a significant relationship between internet marketing and buying behavior.

Null hypotheses (**H3**): is rejected. There is a significant relationship between campaign emotional factor and buying behavior.

Conclusion

It can be concluded from correlation analysis that a moderate to strong positive relationship has been identified between perceived risks, internet marketing and emotional factors that were influenced by the Atmanirbhar Bharat and the local drive campaign. In addition, it was also observed that Internet Marketing showed the highest value of Pearson correlation coefficient than emotional factor or perceived risks. This shows a comparatively stronger positive relationship with the consumer buying behavior towards cottage industry products. The p value which is also the significance value was 0.00 for all the variables under study which implies that the tests conducted are significant and reliable. The analysis also shows that Internet Marketing and emotional factors with very close correlation coefficients can be considered as effective measures to influence buying behavior of Indian consumers with respect to cottage industry products. Hence, the research achieved enough evidence to prove the existence of significant relationship between the variables. Regression analysis concluded the nature of the relationship being positive. Any increase in the independent factors would change the inclination of buying behavior of consumers in a positive direction. It can also be concluded that Internet marketing can also be used to influence the emotional dimension of consumers that is influenced after the corona age.

Limitations and scope of further research

The research used a survey conducted for a sample size of 229 and questionnaire survey was used to analyze the results. Personal interviews of consumers and survey of cottage industry workers was not taken into account. Hence, a survey without using the questionnaire method can also be considered in order to further the accuracy of the analysis. In the current study only three factors were taken into consideration. Other marketing strategies like marketing mix, or communication strategies should also be considered to identify any further associations. Currently the sample size consisted of semi urban or urban populations. Hence, in further studies the sample size can also be diversified to other areas including the rural population and their consumer behavior.

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