

ROLE OF E-COMMERCE PLATFORMS IN PROMOTING SMALL INDUSTRY PRODUCTS FROM MADHYA PRADESH

Dr. Ranjana Shrivastava
TGT,
Maharshi Centre for Educational Excellence

Abstract

Small and cottage industries form the backbone of India's rural economy by generating employment, sustaining traditional crafts, and contributing to regional development. In Madhya Pradesh, these industries have gained new growth opportunities with the expansion of e-commerce platforms. This research paper analyses the role of e-commerce in promoting the products of small and cottage industries in Madhya Pradesh. The study examines entrepreneurs' awareness, benefits derived, challenges faced, and satisfaction levels regarding e-commerce platforms. Data from 100 respondents were analysed using descriptive statistics. The findings reveal that e-commerce has significantly increased market reach and revenue for small entrepreneurs, though issues such as digital illiteracy, infrastructure limitations, and high transaction costs remain major challenges. The study concludes with recommendations to enhance digital inclusion and strengthen e-commerce adoption among small industries in the state.

Keywords: *E-commerce, Small industries, Cottage industries, Madhya Pradesh, Digitalization, Entrepreneurship*

1. Introduction

E-commerce has transformed the way businesses operate worldwide, enabling even small-scale producers to access vast consumer markets beyond their immediate geography. In India, the e-commerce revolution has opened new opportunities for entrepreneurs and artisans, particularly those operating in rural and semi-urban regions. Madhya Pradesh, known for its rich heritage of handloom, handicrafts, and agro-based industries, has witnessed a gradual but steady digital transformation in recent years. Traditionally, the products of small and cottage industries were confined to local markets with limited visibility and customer base. However, with platforms such as Amazon, Flipkart, Meesho, and India MART, small producers are now able to market their goods across the country.

The Government of India's initiatives like **Digital India**, **Make in India**, and **National Rural Livelihood Mission (NRLM)** have facilitated training programs, digital awareness campaigns, and subsidies for entrepreneurs, particularly women and self-help groups (SHGs), to participate in e-commerce. Despite these developments, small industry owners in Madhya Pradesh face several challenges in adopting e-commerce effectively. These include lack of digital literacy, poor internet connectivity, high transaction costs, and limited knowledge about online marketing and packaging standards.

In this context, the present study attempts to analyze how e-commerce platforms are promoting the growth of small and cottage industries in Madhya Pradesh. It further explores the benefits, awareness levels, challenges, and satisfaction of entrepreneurs using these platforms.

2. Objectives of the Study

1. To examine the role of e-commerce platforms in promoting the products of small and cottage industries in Madhya Pradesh.
2. To identify the level of awareness and usage of e-commerce platforms among small-scale entrepreneurs and artisans.
3. To analyze the benefits and opportunities that e-commerce provides to small industry owners in terms of market expansion and sales growth.
4. To investigate the major challenges and constraints faced by small entrepreneurs in adopting and effectively using e-commerce platforms.
5. To assess the satisfaction level of small industry owners regarding their experience with various e-commerce platforms.
6. To suggest suitable measures and policy recommendations for enhancing digital participation and improving the effectiveness of e-commerce in promoting small industry products from Madhya Pradesh.

3. Review of Literature

Kumar and Singh (2021) highlighted that e-commerce platforms have bridged the gap between rural producers and urban consumers, providing small-scale industries access to wider markets. However, they noted that low levels of digital literacy limit the potential of many rural entrepreneurs.

Sharma (2022) emphasized that traditional handicraft artisans in Madhya Pradesh benefited from online marketplaces that increased sales and brand recognition.

Patel and Jain (2020) found that MSMEs in Central India that adopted e-commerce experienced improved efficiency and customer reach but continued to face high transaction costs and logistics issues.

Tripathi (2021) studied Flipkart's "Samarth Initiative," which empowers rural women artisans and SHGs, concluding that such programs have helped many entrepreneurs in Madhya Pradesh achieve financial independence.

Sinha and Bose (2023) observed that government interventions such as NRLM and Digital India play a crucial role in empowering rural entrepreneurs through training and digital literacy programs.

4. Research Methodology

The study employs a **descriptive research design**. Primary data were collected through a structured questionnaire administered to 100 small and cottage industry entrepreneurs across districts of Madhya Pradesh — Bhopal, Indore, Dhar, Jabalpur, and Chhindwara. Respondents

were selected using **purposive sampling**, targeting entrepreneurs who either use or are aware of e-commerce platforms.

Secondary data were collected from journals, government reports, MSME publications, and credible online sources. The collected data were analyzed using descriptive statistics such as frequency and percentage.

5. Data Analysis and Interpretation

Table 1: Demographic Profile of Respondents (N = 100)

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	60	60%
	Female	40	40%
Age Group (Years)	20–30	20	20%
	31–40	35	35%
	41–50	30	30%
	Above 50	15	15%
Education Level	Primary	10	10%
	Secondary	25	25%
	Graduate	45	45%
	Postgraduate	20	20%

Most respondents are educated and belong to the 31–50 age group, suggesting that middle-aged and educated entrepreneurs are more inclined to adopt digital tools.

Table 2: Type of Small Industry

Type of Industry	Frequency	Percentage (%)
Handicraft	25	25%
Handloom/Textiles	20	20%
Food Processing	30	30%
Agro-based	10	10%
Others (Pottery, Woodwork, etc.)	15	15%

Food processing and handicraft industries dominate among small entrepreneurs using e-commerce platforms, indicating a trend of selling locally produced goods to urban consumers.

Table 3: Awareness and Use of E-Commerce Platforms

Awareness/Usage Level	Frequency	Percentage (%)
Fully aware and using e-commerce	60	60%
Aware but not using	25	25%
Not aware	15	15%

The majority of entrepreneurs (60%) are already using e-commerce platforms, while 40% still remain untapped due to lack of awareness or resources.

Table 4: Preferred E-Commerce Platforms

Platform	Frequency	Percentage (%)
Amazon	25	25%
Flipkart	30	30%
Meesho	20	20%
IndiaMART	15	15%
Others	10	10%

Flipkart and Amazon are the most popular platforms, with Meesho emerging as a preferred choice among micro and women entrepreneurs.

Table 5: Perceived Benefits of E-Commerce Platforms

Benefit	Frequency	Percentage (%)
Increased market reach	80	80%
Higher sales/revenue	70	70%
Reduction in intermediaries	65	65%
Better customer feedback	55	55%
Enhanced brand visibility	60	60%

Entrepreneurs perceive e-commerce as beneficial mainly for expanding market reach and increasing revenue. Reduction in intermediaries further enhances profitability.

Table 6: Major Challenges Faced in Using E-Commerce Platforms

Challenge	Frequency	Percentage (%)
Lack of digital literacy	65	65%
High delivery/commission charges	60	60%
Poor internet connectivity	55	55%
Packaging and logistics issues	50	50%
Payment delays	45	45%

Digital illiteracy and high operational costs are the major constraints affecting small entrepreneurs' participation in online platforms.

Table 7: Overall Satisfaction with E-Commerce Experience

Satisfaction Level	Frequency	Percentage (%)
Highly satisfied	20	20%
Satisfied	50	50%
Neutral	15	15%
Dissatisfied	10	10%
Highly dissatisfied	5	5%

Interpretation:

Nearly 70% of respondents express satisfaction with their e-commerce experience, showing optimism about future business expansion through digital means.

6. Findings

- 60% of entrepreneurs are actively using e-commerce platforms to sell their products.
- Flipkart and Amazon dominate the small business e-commerce market in Madhya Pradesh.
- Increased market reach and higher sales are the top perceived benefits.
- Major challenges include low digital literacy, high commission fees, and poor internet access.
- Most respondents are satisfied with their overall e-commerce experience despite operational hurdles.

7. Conclusion

E-commerce platforms have significantly contributed to the promotion of small industry products in Madhya Pradesh by connecting rural artisans and entrepreneurs to wider markets. They have enabled producers to reduce dependency on intermediaries and gain higher profit margins. However, persistent challenges such as lack of digital skills, inadequate infrastructure, and high transaction costs must be addressed to ensure equitable digital participation. Government initiatives, training programs, and platform-based support schemes are crucial to achieving sustainable digital growth for small industries in Madhya Pradesh.

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