

A Study On Satisfaction Of Small Entrepreneurs With Reference To Cottage Industry.

Dr. G. Kowsalya^{1*}, Dr. P. Sumitha², Dr. S. Duraieswari³, Dr. K. Jaya⁴, Ms.G. Chandhini⁵

^{1*}Assistant Professor, Department of Commerce, Rathinam College of Arts and Science, Eachanari, Coimbatore, Email: kowsalyamphilskasc@gmail.com.

²Assistant Professor, Department of B.Com.(BA), Dr. NGP Arts and Science College, Coimbatore, 0009-0002-8424-2367, Email: psumitha90@gmail.com

³Assistant Professor, Department of B. Com(PA), PSGR Krishnammal College for Women, Coimbatore, Email: duraimcomca@gmail.com

⁴Assistant Professor, Department of English, Sri Krishna Arts and Science College, 0000-0001-8353-4937, Email: jaya.litejaya@gmail.com

⁵Assistant Professor, Department of B. Com(PA), PSGR Krishnammal College for Women, Coimbatore, Email: chandhini@psgrkew.ac.in.

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ARTICLE INFO ABSTRACT

Cottage industries, which are also classified as small-scale businesses, are typically referred to as having an unorganized character. A cottage industry, also known as a domestic system, is a manufacturing-focused sector of the economy where a large number of producers work from home, usually on a part-time basis. Originally used to describe domestic laborers, weaving is a significant contributor to India's cottage industry. This trade or skill has existed since the beginning of time when cotton garments were extensively used across the nation. And so the paper has concentrated a sum of 150 respondents with different type of home business and weaver business. A survey is conducted with a questionnaire prepared to accumulate data from the respondents. Here simple percentage analysis, Chi-square, Friedman test has been used. The analysis of data exposed that the Capital investment in most industries was very low. Entrepreneurs are lacking capital and could not get loans due to lack of security. Entrepreneurs engaged in similar industries can form groups and get credit from the bank on a group liability basis as well as selling their products in market centers.

Keywords: Cottage industry, small entrepreneurs, weavers, matchbox makers, satisfaction, motivation, problems in loan.

INTRODUCTION

The phrase "cottage industry" refers to goods or products that are produced on a small scale. India is well-known for its traditional cottage industries, as we all know. However, as modern industrialization emerged, cottage industries saw a dramatic decline. Additionally contribute significantly to the nation's economy. In (Aldrich et al, 1993) et al. Silk weaving, cotton weaving, carpet making, metal handicrafts, the leather industry, and small food processing are the top five Indian cottage industries.

One important aspect of India's cottage industry is cotton weaving. This ability has been around since ancient times because cotton garments are popular all over the nation. Indian cotton weaving is renowned for its traditional patterns and designs created by expert weavers using handlooms.. (Al-Shammari, 2008) (Abdel, 2011) India's cotton industry is primarily centered in Gujarat, Tamil Nadu, and Maharashtra. Another well-known cottage industry in India is silk weaving. India is a significant producer and consumer of silk because it is worn for important events like weddings and festivals. India produces three different types of silk: mulberry, Muga, Tussore, and Eri. Karnataka accounts for about 70% of India's silk weaving industry.

India supplies premium leather goods to the international market. The tanning industry in India can meet about 10% of the world's demand. Approximately 2.5 million people work in this sector, which is regarded as one of India's main export markets. Tamil Nadu, West Bengal, and Uttar Pradesh are India's three main leather-producing states. India has long used metal to create jewelry, utensils, and figurines. (Hawawini, 2002) Metal handicrafts have a distinctly Indian touch and are widely appreciated around the world. (Aloulou, 2020) They have made a significant economic contribution to India. Cottage industry is a concentrated type of small-scale manufacturing in which workers produce goods in their homes and family members make up the workforce. Usually, household appliances are utilized instead of high-tech ones when creating products.

1.1 BENEFITS OF THE COTTAGE INDUSTRY

Cottage industries include manufacturing and production businesses operated by individual people and families out of their homes, as opposed to more traditional business venues. While cottage industry operators may face some legal challenges and obstacles from larger competitors, they do enjoy several key benefits. . (Gilmore, 2013)

➤ Convenience

By definition, a cottage industry business operates from home. This makes for greater convenience for operators relative to leaving the home to operate a company. (Parker and van Praag, 2010) You don't have to spend time on the road driving, which also contributes to cost savings. You can set up a shop or work area and share home and business equipment, although it is important to account for allocated business use when claiming home business deductions on tax returns.

➤ Low Start-Up Costs

Cottage business start-up costs are generally low. You don't have to pay for a mortgage or rent on a separate building space. You also don't have to buy separate equipment, tools, shelving, fixtures and other materials to maintain and use in the business. (Noguera, 2013) The Internet allows for a relatively low-cost way to set up a website and promote your business to local consumers and resale businesses.

➤ Employment Alternative

The development of cottage industries has benefited women in particular because it gives them an alternative to having to choose between a career and a family. (Minniti, 2008) A stay-at-home mom, for instance, may balance caring for her children with operating a home-based cupcake production business. (Urbano, 2018) She can bake and prepare on a schedule that works with her family responsibilities. Families can also start small side businesses from home that provide supplemental income.

➤ Specific Legal Protections

Increasingly, local, state and federal governments have recognized the value of cottage industries and worked to add specific legal protections for them. The state of Texas enacted a new cottage food law in late 2011 to clear the way for women operating home-based jam, jelly, baked goods and other food commodity operations to avoid previous health and safety requirements for food service operators.

1.2 List of Principal Cottage Industries in India

The principal cottage industries of India are:

- Hand-loom weaving.
- Pottery
- Washing soap making
- Conch shell industry
- Handmade paper industry
- Horn button industry
- Mother-of-pearl button industry
- Cutlery industry
- Lock and key making
- Crockery
- Food items
- Candles
- Match box
- Crackers

1.3 IMPORTANCE OF COTTAGE INDUSTRIES IN INDIA

Cottage industry or home industry means the manufacturing of goods at home by hands, with small capital and on a small scale by the members of a family. Cottage industries are part time or supplementary occupations. In the past cottage industries played an important role in the economy of our country. (Zeidan, 2011) They provided employment to a large number of people. The destruction of the cottage industries is one of the main causes of poverty in our country. Ours is an age of machine and large-scale industries. Yet even in the highly industrialized country like Japan and Germany, a good proportion of their industries are run in a 'domestic' system.

In India cottage industries have a more significant part to production than any other country. Cottage industries can give the cultivator useful employment during spare time. That was why Mahatma Gandhi laid emphasis on reviving the dying cottage industries. Since Independence the country, the government too has been making all possible efforts in this direction.

2.1 STATEMENT OF THE PROBLEM

The cottage industry is thought to have a huge amount of job potential. However, even though this industry has seen an increase in employment over time, people's incomes have unquestionably dropped as a result of

middlemen who charge manufacturers low prices in exchange for taking large payments from customers. However, it goes beyond just the dealers and middlemen. The contemporary state of the cottage industry can also be attributed to globalization and the recently reviewed foreign strategies. The power looms are a constant source of competition for the handloom weavers. These laborers have dedicated their entire lives to knitting and sewing. Their level of skill is simply unrivaled. However, they are still in the same location as when they first began, years ago.

It is imperative that methods be put into place that not only increase output but also help workers improve their skills and satisfy local market demands. In order to provide workers with a respectable standard of living, efforts should be focused on the advancement of technology. At every step of their business, from purchasing raw materials to marketing their goods, securing funding or gaining access to insurance coverage, the toils of cottage industry frequently find themselves up against insurmountable obstacles.

2.2 SCOPE OF THE STUDY

The scope of this research study is limited to rural areas. The study throws light on the study of challenges and opportunities of cottage industry. It also reveals the satisfaction of small entrepreneurs in cottage industry. It also enables the researcher to understand the motivational level of entrepreneurs to start the cottage industry.

2.3 OBJECTIVES OF THE STUDY

1. To study the motivation factors of entrepreneurs to start their cottage industry.
2. To analyze the level of satisfaction of entrepreneurs in cottage industry.

2.4 RESEARCH METHODOLOGY

Research methodology is a way of systematically solving the problem. The validity of any research is based on systematic method of formulating the objectives, data collection, analyze and interpretation.

Research design: The current study is grounded on both primary and secondary data. The primary data were collected through questionnaires framed. For this purpose, 150 respondents are selected and they were selected using convenient sampling.

Area of the study: The data has been collected from the rural areas.

Sample size: The size of the sample for this study is 150 respondents.

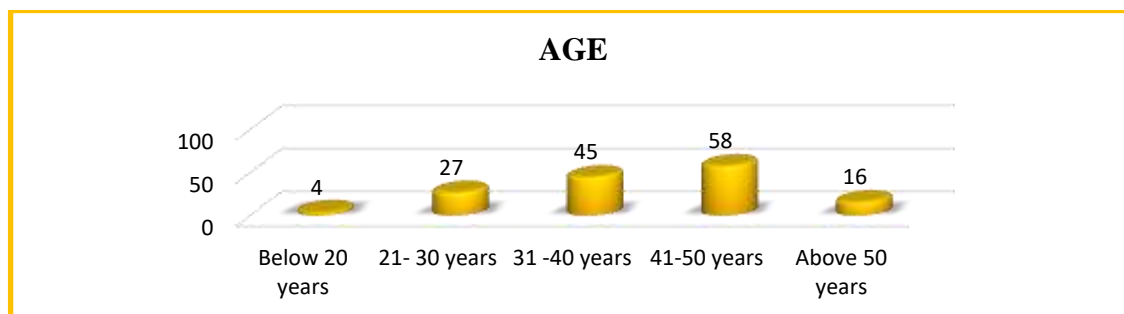
Data source: The data required for the study has been collected from both the primary data and secondary.

- **Primary data:** Primary data have been collected through a structured questionnaire having 17 questions and through interview schedules
- **Secondary data;** Secondary data have been collected from various journals, magazines, Newspapers, and websites.

Statistical tools: The collected data have been categorized and processed manually as well as through computer. The important statistical tools used for analysis are as follows: Percentage Analysis. And Rank Analysis and a suitable null hypothesis have been framed and tested in the relevant places.

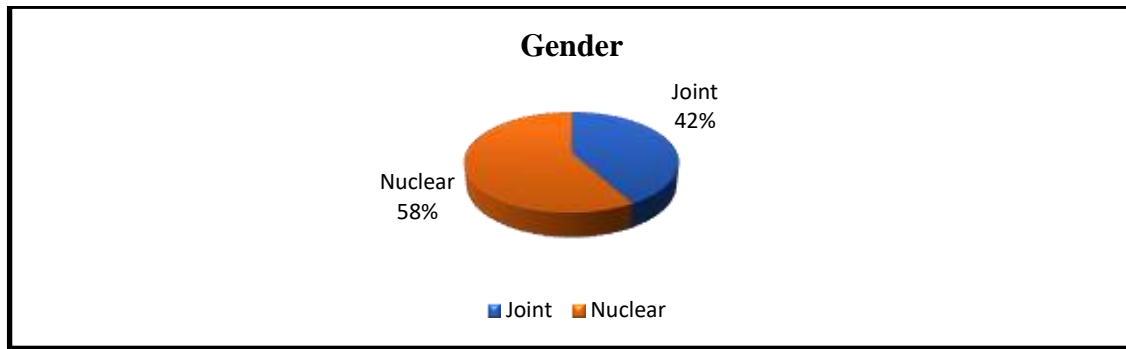
3. ANALYSIS AND INTERPRETATION:

3.1 Age of the respondents



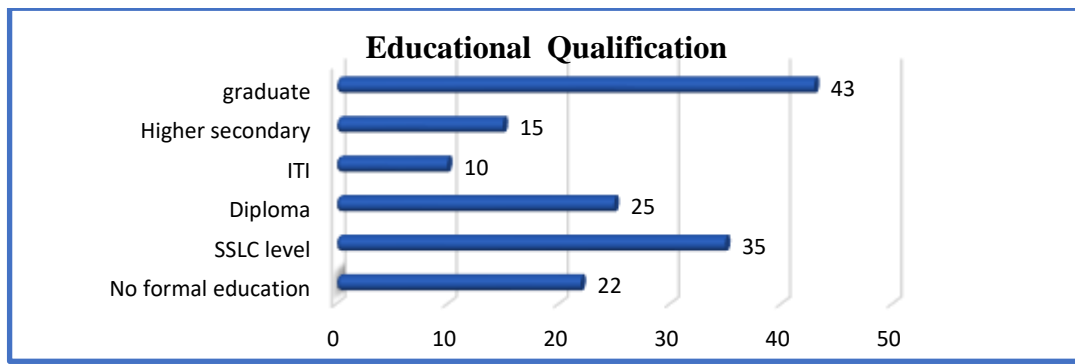
According to the above chart, 38.7% of respondents are between the ages of 41 and 50, 30.0 percent are between the ages of 31 and 40, 18.0 percent are between the ages of 21 and 30, 10.7% are over the age of 50, and 2.7% are under the age of 20.

3.2 Gender of the response



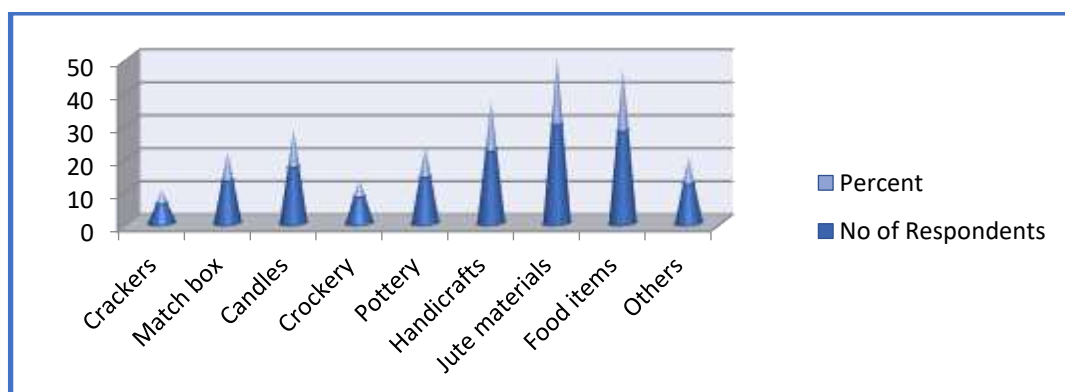
From the above chart it is inferred that 65.3 per cent of the respondents are male and 34.7 per cent of the respondents are female.

3.3 Educational Qualification of the response



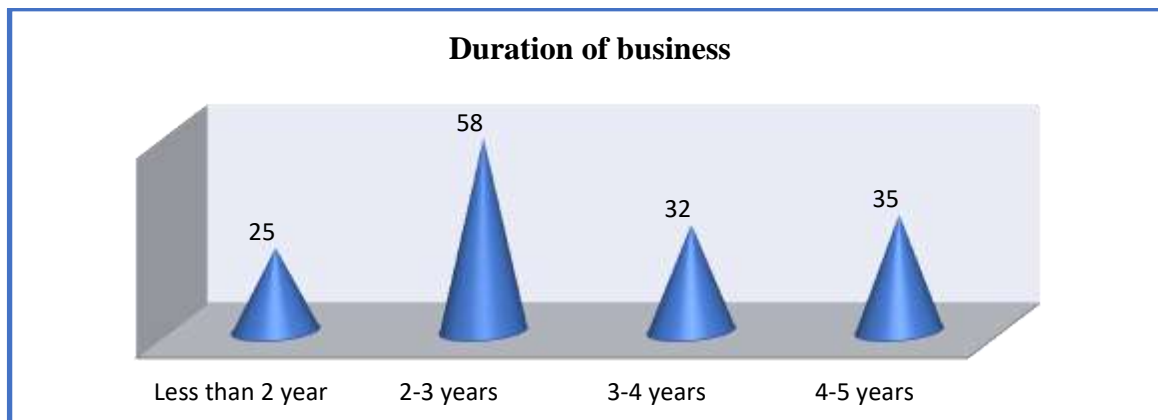
From the above chart is observed that among the respondents 14.7 per cent of the respondents do not have formal education. 23.3 per cent of the respondents have SSLC level education. 16.7 per cent of the respondents are diploma holders. 6.7per cent of the respondents have ITI education. 10.0 per cent of the respondents have completed higher secondary level education and 28.7 per cent of the respondents are graduates.

3.4 Nature of the response



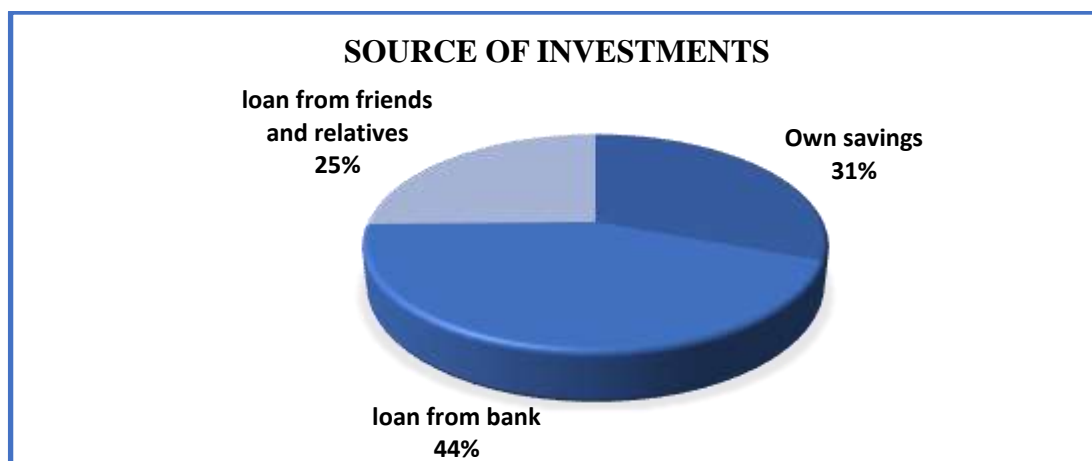
This chart describes that 20 per cent of the respondents are in the jute business. 18.7 per cent of the respondents are involved in food items. 14.0 per cent and 11.3 per cent of the respondents are found to be engaged in Handicrafts and candles business. 9.3 per cent, 8.7 per cent, 8.0 per cent, 5.3 per cent and 4.0 per cent of the respondents are engaged respectively in pottery, match box, other business, crockery and cracker business

3.5 Duration of the business.



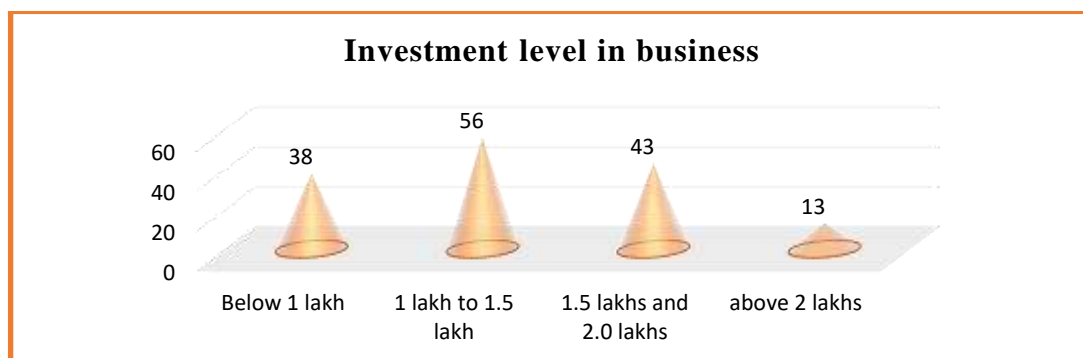
The above chart depicts that out of 150 responses received 38.7 per cent of the respondents are doing business for 2-3 years, 23.3 per cent of the respondents are in business for 4-5 years, 21.3 per cent of the respondents are in business for 3-4 years and 16.7 per cent of the respondents are doing business for less than 2 years.

3.6 Source of investments.



From the above chart it is inferred 44.0 per cent of the respondents used loan from banks to invest in the business, 30.7 per cent of the respondents invested own savings in business and 25.3 per cent of the respondents used loan from friends and relatives.

3.7 Investment level of the response



From the above chart depicts that out of 150 responses received, 37.3 per cent of the respondents is between 1 lakh to 1.5 lakhs, 28.7 Per cent of the respondents have invested between 1.5 lakhs to 2.0 lakhs per annum, 25.3 Per cent of the respondents have invested below 1 lakh and 8.7 per cent of the respondent’s investment in business is above 2 lakhs.

3.6 RANK ANALYSIS

The following table shows the classification of consumer based on the problems faced in cottage industry

Table No:1.1 PROBLEMS FACED IN COTTAGE INDUSTRY

Reasons	Mean Rank	Actual Rank
Underutilization of capacity	4.09	6
Insufficient labour	3.98	5
Low technical skill	3.75	1
Competition	3.89	2
Unscheduled power cuts	3.90	3
Inadequate raw material	4.35	7
More financial requirement	3.96	4
KENDALL'S COEFFICIENT OF CONCORDANCE		
Kendall's W^a		.007

Source : Primary data

It can be seen from the above table that the majority of respondents (mean 3.75) had trouble with low technical skill. With a mean rank of 3.89, competition has been assigned the second-highest rank, followed by unplanned power outages with a mean rank of 3.90. The fourth rank is attributed to greater financial requirements (3.96), while insufficient labor is ranked third with a mean of 3.98. For the specified items, the calculated W_a is .007. As a result, there is less agreement among customers when it comes to ranking the issues that respondents in the cottage industry face.

3.8 MOTIVATIONAL FACTORS TO START AN OWN BUSINESS

Table 1.2 Motivational factors which encourages the respondents to start their own business

Motivational factor	Highly Motivated		Motivated		Neutral		Not motivated		Not at all	
	No	%	No	%	No	%	No	%	No	%
Family business	78	52.0	42	28.0	20	13.3	6	4.0	4	2.7
Low investment	33	22.0	83	55.3	25	16.7	7	4.7	2	1.3
Government support	30	20.0	43	28.7	56	37.3	8	5.3	13	8.7
Demand for the product	24	16.0	54	36.0	43	28.7	19	12.7	10	6.7
Availability of Raw material	49	32.7	47	31.3	34	22.7	13	8.7	7	4.7
Easy to manage	41	27.3	47	31.3	43	28.7	13	8.7	6	4.0
Compulsion	50	33.3	39	26.0	37	24.7	13	8.7	11	7.3
To earn additional income	71	47.3	45	30.0	22	14.7	10	6.7	2	1.3
Inspiration	30	20.0	80	53.3	27	18.0	8	5.3	5	3.3
Support from family, friends & relatives	57	38.0	38	25.3	38	25.3	11	7.3	6	4.0

Source : Primary data

The factors that motivated the respondents to launch their own businesses are shown in table 1.3 above. 52.0 percent of respondents are driven by their family business, 55.3 percent by their investment level, 37.3 percent by government support, 12.7 percent by the lack of product demand, and 7.3 percent by the complete lack of motivation from driving forces.

3.9 LEVEL OF SATISFACTION TOWARDS COTTAGE INDUSTRY AMONG THE RESPONDENTS

Table 1.3 SATISFACTION LEVEL RELATIVE TO COTTAGE INDUSTRY

Factors	HS		S		N		DS		HDS	
	No	%	No	%	No	%	No	%	No	%
Income level	81	54.0	46	30.7	18	12.0	1	0.7	4	2.7
Family Support	51	34.0	66	44.0	24	16.0	7	4.7	2	1.3
Availability of labor	33	22.0	46	30.7	54	36.0	13	8.7	4	2.7
Availability of material	39	26.0	56	37.3	40	26.7	11	7.3	4	2.7
Location of business	33	22.0	48	32.0	43	28.7	19	12.7	7	4.7
Price of the product	51	34.0	40	26.7	28	18.7	21	14.0	10	6.7
Government Support	42	28.0	46	30.7	37	24.7	19	12.7	6	4.0
Customer Demand for product	30	20.0	41	27.3	44	29.3	20	13.3	15	10.0

Source: Primary data

The level of satisfaction with the cottage industry is shown in Table 1.3 above. Of the respondents, 54.0% expressed high satisfaction with the factor of income level, 44.0% showed that they were satisfied with family support, 36.0% expressed partial satisfaction with labor availability, 14.0% expressed dissatisfaction with the product price, and 10.0% expressed extreme dissatisfaction with the demand from customers for products in the cottage industry.

CONCLUSION

As the supply and price of raw supplies depend on markets of India, the government should have a strategy for traditional cottage industries. Likewise, a policy should be devised to provide credit for entrepreneurs on a group liability basis taking into account of their poverty and lack of collateral. Capital speculation in most manufacturing was very low. Entrepreneurs had lack of capital and could not get proper loans from bank due to lack of collateral. Entrepreneurs engaged in similar industries can form groups and get credit from the bank on a group liability basis as well as selling their products in market centers. Cottage industry goods have a good potential market, because of cheap labor cost. Cottage industries cannot be sustained without the provision of credit and advanced training. Traditional rural industries in the upper produced different products. Entrepreneurs from occupational ethnic groups were manufacturing agricultural tools and utensils, leather goods, ornaments, and garments through inherited skills and knowledge.

SUGGESTIONS

1. The Government should provide training to the entrepreneurs to develop an technical and marketing skill to improve their productivity and marketability.
2. Entrepreneurs need to produce diversified and improved products according to the market demand. So, that they can compete with other small-scale industries.
3. Entrepreneurs must have wide knowledge on the marketing strategies to improve their sales as well as this can also take promotional strategies to compete with other industries.
4. The cottage industry can also concentrate more on quality related issues which will helpful to increase their sales.

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