

Study of Marketing Strategies of Cottage Industry and Its Implications

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Abstract—Cottage industry have always had an important role in indian economy. it helps in export and it provides most employment to rural youth after agriculture. In cottage industry products are produced at low level and work is done by skilled workers. Furniture, woods, bamboo products, products made from glass, khadi, handloom, handicrafts products are major part of cottage industry. every state and region of india have some expertise in producing some special products. . Chicken work of lucknow and Kashmiri shawls are famous for their embroidery. These products mainly produced by cottage industry. these products need marketing and branding but cottage industry lacks financial support so they can not apply the marketing strategy of medium and large industry. They need a paradigm shift in marketing. this paper aims at study the marketing strategies of cottage industry.

1. INTRODUCTION

Cottage industry is an enterprise where products are made mostly from home and workforce include members of family/limited numbers of wage earners. Products are produced at low level and work is done by skilled workers. Workers works in their house with their goods and instruments the instruments / equipment are generally outdated technology or low technology. They produce consumable products through the use of conventional techniques and methods. cottage industry generally unorganized in nature and mainly located in rural areas / semi – urban areas. Some cottage industries are very big and located in urban areas.

Cottage industry has very important role in indian economy, it provides big contribution to the export and it is backbone of rural economy. It provides employment to rural people at large scale. cottage Cottage industry facing competition from medium and large scale industries. Cottage industry facing problem of unavailability of capital, labor, technology and marketing.

2. LITERATURE REVIEW

Waqar Ahmad Khan study that the success of handicrafts depends on how well artisans can produce the product and

introduced in market in keeping with tastes and preferences of consumers.

Merlin Thanga Jay finds that there is an urgent need for implementation of techniques which not only enhances productivity but develop the skills of labor and meet the requirement of local market.

Tarun Gupta suggests the 4 approaches for rural markets. transformation from 4 Ps to 4 As of marketing. 1. Availability 2. Affordability 3. Acceptability 4. Awareness.

Shilpa Chheda study that affordable smartphones in market and mobile penetration rate ever increasing. it is likely that internet and social media will be accessible to many more in urban as well as rural areas, hence best opportunity for micro and small business will unfold here.

Emmanuel, R, finds that handloom weavers have been facing crisis. the fundamental reason is the improper response of the handloom sector to the modern and dynamic markets and the competition grew from mill to power looms.

3. OBJECTIVES

1. To study importance of marketing in cottage industry.
2. To find out problems in marketing of cottage industry.
3. To make recommendation for marketing strategy for cottage industry.

4. RESEARCH METHODOLOGY

This research paper is based on secondary data by exploring various books, research papers, journals, government websites, articles, report etc. this study is descriptive and empirical in nature.

5. IMPORTANCE OF MARKETING IN COTTAGE INDUSTRY

In industrial society Marketing is important aspect of every industry. Modern industrial society is highly competitive and Marketing help us to find out answers of some important questions like what customer wants, price of product, selling, promotion, advertisement, target market, etc.

Cottage industry mainly consist

1. Rural / village
2. Khadi
3. Handloom
4. Handicrafts

Marketing efforts taken by government

Government established different organizations for development and promotion of cottage industry.

Some important organizations are –

1. Khadi village industries commission (KVIC)
2. All india handloom board
3. Central silk board
4. Coir board
5. Handicrafts cooperation
6. National small industries cooperation

These organizations provide support and facilities –

1. Capital
2. Credit
3. Technological support
4. Skill development
5. Marketing
6. Branding

Sales in cottage industry

1. Direct to customer
2. Direct to wholesaler
3. Direct to retailer

In cottage industry products are directly sell to the customer or wholesaler or distributors. products selling to retailer is very rare. mostly cottage industry located in rural areas so it is convenient for them to sell products to wholesaler. mostly cottage industry products sell in fairs, exhibitions and haats. kvic organized trade fairs for marketing of cottage industry products. State governments also provide a platform for promotion and marketing of cottage industry products. In

Uttar Pradesh every year government organize big fairs like Lucknow Mahotsav, Kanpur Mahotsav, Saifai Mahotsav etc. in these mahotsav cottage industry products are sold and promoted in cities. Uttar Pradesh government made Avadh Shilp Gram in Lucknow. It is like a departmental store where government give space to cottage industry products throughout Uttar Pradesh. Government started One District One Product initiative. Here Cottage industry products are promoted and marketed under one roof.

6. PROBLEMS IN MARKETING

Major problems in marketing in cottage industry

1. Inadequate credit facility
2. Lack of standardization
3. Lack of quality product
4. Lack of storage facility
5. Transportation
6. Non availability of market information
7. Lack of Promotion of product

Cottage industries in india face lack of capital and credit forces them to purchase low cost technology. Technical implementation is necessary for increase in productivity and helps in produce quality products. Lack of quality and standardization of product cottage industry cannot compete with large scale industry products. Cottage industry doesn't have warehouses and their storage facility is very poor it can effect the quality of product. There are so many parts of country which are still not connected through proper roads. If they are connected then either the road is kacchi or concrete, the condition of concrete road is also not. There are very few public transportation system in rural areas. Ranipur of Jhansi is famous for handloom industry and beedi making, biggest hub of cottage industry but still public transport system is very bad. transport system increases the cost of production. Lack of infrastructure is a major problem of cottage industry. Cottage industry artisans also don't have any information related to market. They don't know where to sell products, what is target market, the wholesalers and merchants take advantage of this situation and purchase their product at low prices. Promotion is important aspect of any business it helps to expand the market, government takes several initiative for promotion of cottage industry but these initiative not enough.

7. RECOMMENDATION

Some recommendation for marketing strategy

1. Branding
Cottage industry products are very famous in urban areas, like Chickankari of Lucknow, Banarasi Sarees of Varanasi, Pashmina of Kashmir, these products need branding. It will expand their market and production.

2. Certification of products

Certification also helps the cottage industry to compete with large scale industries.

3. Special clusters for cottage industry

Government should make special cluster for cottage industry which have special expertise in producing products like chickankari in lucknow handloom in ranipur of Jhansi, carpet industry in jaunpur.

4. Cooperative marketing

Cottage industry is made from many small units. It is not possible for single producer to afford marketing. Cooperative marketing is a way of marketing for cottage industry. Amul of Gujrat and Parag of Lucknow is good example of cooperative marketing.

5. E – commerce

E- commerce business is very rapidly growing in india. Medium and large scale industries selling their products through e- commerce sites like amazon, flipkart, myntra, e-bay etc. these sites also sell ethnic products. Cottage industry can sell their products through these sites.

8. CONCLUSION

Cottage industry is oldest in india and today it is facing competition from medium and large scale industry. This study shows that cottage industry has huge potential. Ethnic craft products and handicrafts are very popular in domestic as well as international market. Various ethnic and indigenous products attract foreign traders. Some of the products are more costly than large scale industry products. In cottage industry there is no advertisement and promotional activities to promote the product. Despite the efforts by government organizations, Cottage industry still face threats from large scale industries. government should focus on marketing and promotion and change traditional marketing practices and provide adequate credit, infrastructure, technological, support. cottage industry needs branding of products. Cottage industry should also take some steps for marketing. A good marketing strategy is helpful in the development of cottage industry. It can increase the demand of cottage industry product.

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