



A STUDY OF DIGITAL PLATFORMS TOWARDS TRANSFORMATION OF MSMEs WITH REFERENCE TO INDUSTRIAL MACHINERY

Muralidhar Sarma¹, Dr. Atul Loomba²

¹Research Scholar, Rabindranath Tagore University. Raisen M.P

²Associate Professor, Faculty of Management, Rabindranath Tagore University. Raisen M.P

ABSTRACT

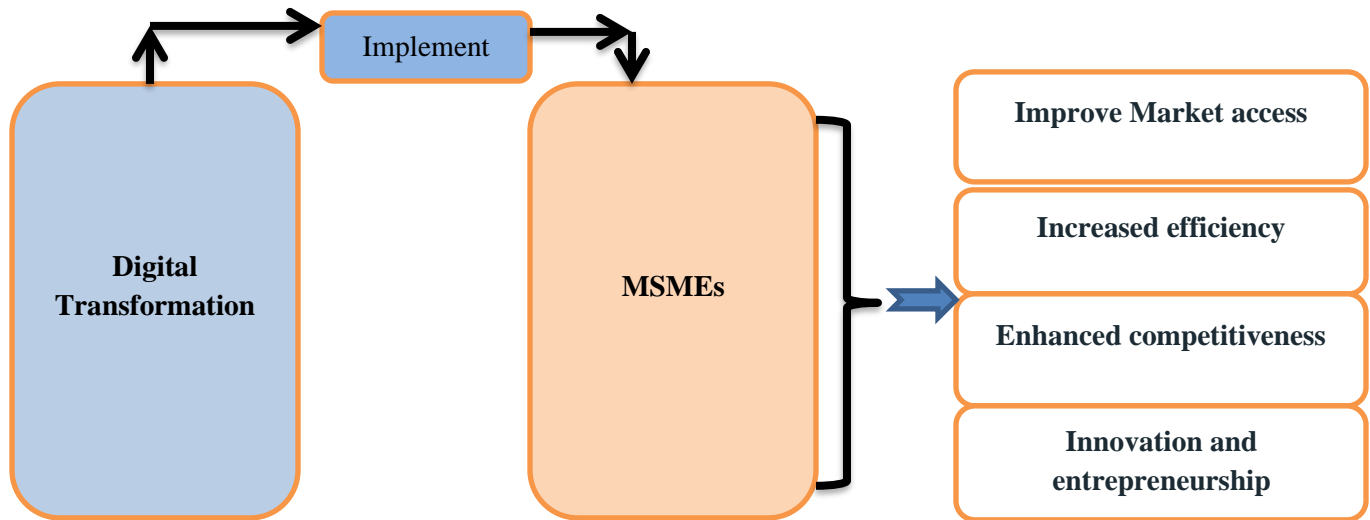
The present study is deals with role of digital platforms towards transformation of MSMEs with respect to Industrial Machinery. The study is based on primary data and samples for the study were taken among the target populations of MSMEs. In order to explore the role of digital platforms various parameters such as Improve Market access, Increase Efficiency, Enhanced Competitiveness and Innovation and Entrepreneurship were discussed. The final samples were taken from 88 numbers of respondents. The findings of the study indicates that The study's findings suggest that digital platforms have a significant impact on the transformation of MSMEs, particularly in terms of improving market access, increasing efficiency, and promoting innovation and entrepreneurship. However, the relationship between digital platforms and enhanced competitiveness is not statistically significant

INTRODUCTION

The advent of digital platforms has revolutionized the way Micro, Small, and Medium Enterprises (MSMEs) operate, particularly in the industrial machinery sector. These platforms have transformed the business landscape, enabling MSMEs to access new markets, improve efficiency, and enhance competitiveness. By leveraging digital platforms, MSMEs can streamline their operations, reduce costs, and increase productivity. Moreover, digital platforms provide MSMEs with access to a vast array of tools, technologies, and expertise, facilitating innovation and entrepreneurship. The industrial machinery sector, in particular, has witnessed significant benefits from digital platforms, with MSMEs able to showcase their products, connect with customers, and access global markets. As a result, digital platforms have become a crucial driver of growth and transformation for MSMEs in the industrial machinery sector. By embracing digital platforms, MSMEs can overcome traditional barriers, improve their competitiveness, and achieve sustainable growth. Ultimately, the adoption of digital platforms is essential for MSMEs to remain relevant and thrive in the rapidly evolving industrial machinery sector. This transformation can lead to increased revenue, job creation, and economic growth.

The present study is related with role of digital platform towards transformation of MSMEs. However, four important parameters has identified with respect to transformation of MSMEs such as Improve Market access, Increase Efficiency, Enhanced Competitiveness and Innovation and Entrepreneurship

The Conceptual Framework



(Figure: Conceptual Framework)

REVIEW OF LITERATURE

Kumari's (2018), the research study explores that MSMEs can achieve growth and alleviates poverty, unemployment, and labor shortages through digitization. By adopting digital technologies, MSMEs can also contribute to environmental sustainability. Next-generation technologies can help reduce fuel consumption, water waste, and carbon emissions. This, in turn, can minimize the carbon footprint of MSMEs. Digitization can thus drive economic and environmental benefits for MSMEs. By embracing digital solutions, MSMEs can create a more sustainable and prosperous future.

Singh (2017), this study reveals that 46% of SMEs experienced a significant increase in sales after implementing digitalization tools. The growth of ITC infrastructure and economic innovation can lead to an increase in GDP, per capita income, and job opportunities. Digitalization can have a positive impact on the nation's economy. However, the main obstacle to adopting B2B E-Marketplace is the service providers' inability to understand MSME needs. This highlights the importance of tailored solutions for MSMEs. Effective digitalization can drive economic growth and development. MSMEs require support to overcome the challenges of digital adoption. Addressing these challenges can unlock the full potential of digitalization for MSMEs.

Malviya & Chakraborty (2013) explored the adoption of cloud computing among MSMEs. Cloud computing offers several benefits, including reduced infrastructure costs. This makes it an economical option for MSME entrepreneurs. By leveraging cloud computing, MSMEs can access key internet technologies without significant investment. Singh & Singh (2014) emphasize the importance of addressing technological backwardness. Resolving this issue can create a favorable business environment for MSMEs in a globalized context. This can help MSMEs compete more effectively in the market. The adoption of digital technologies is crucial for MSME growth and development. By embracing digital solutions, MSMEs can overcome traditional challenges and achieve success.

Welingkar, & Minakshi Agrawal (2015), A study examined the barriers to IT adoption in SMEs and assessed owners' awareness of the adoption process. The main obstacles identified were lack of IT understanding, shortage of skilled labor, and financial constraints. The survey revealed that most SMEs use their websites primarily for promotional purposes. Only 27% of SMEs utilize their websites for sales. This highlights a significant gap in the effective use of digital technologies. SMEs face challenges in leveraging IT to drive business growth. The study emphasizes the need for improved IT understanding and skills among SME owners.

Matt and Kayal (2017), Research explored the impact of digitalization on MSME performance, revealing improved performance through process and product automation. Digitalization also boosts revenue and offers innovative



fundraising methods, such as professional videos. This enables businesses to raise capital and thrive on digital platforms. However, some MSMEs lack enthusiasm and creativity in integrating digitalization into existing platforms. Despite this, digitalization can help entrepreneurs assess their efficacy in the competitive digital landscape. By embracing digitalization, MSMEs can gain a competitive edge. Digitalization is crucial for MSMEs to stay relevant and grow in the digital age. It provides opportunities for businesses to innovate and expand their reach.

OBJECTIVES OF THE STUDY

The various objectives of the study are as under

1. To study the role of digital platforms in transformation of MSMEs towards **Improve market access**
2. To study the role of digital platforms in transformation of MSMEs towards **increased efficiency**
3. To study the role of digital platforms in transformation of MSMEs towards **Enhanced competitiveness**
4. To study the role of digital platforms in transformation of MSMEs towards **Innovation and entrepreneurship**

HYPOTHESIS OF THE STUDY

The present study is related with 4 different alternative hypotheses, which, are as under

H_{a1}: the role of digital platforms in transformation of MSMEs is significant and positive with respect to the **improve market access**

H_{a2}: the role of digital platforms in transformation of MSMEs is significant and positive with respect to the **Increase Efficiency**

H_{a3}: the role of digital platforms in transformation of MSMEs is significant and positive with respect to the **Enhance Competitiveness**

H_{a4}: the role of digital platforms in transformation of MSMEs is significant and positive with respect to the **Innovation and Entrepreneurship**

METHODOLOGY

The purpose of the study is to explore the role of digital platforms towards transformation of MSMEs. However, this study employs a mixed-methods approach, combining surveys, and interviews to investigate the impact of digital platforms on MSME transformation. The study aims to provide a comprehensive understanding of the benefits, challenges, and strategies for successful digital platform adoption, informing policymakers, industry stakeholders, and MSME owners on leveraging digital platforms for sustainable growth. Under the methodology research clearly explores the sample size and design, data collection and data analysis tools. The study is based on primary and secondary data both which has been obtained from various sources.

The data for study were obtained from various sources such as

Primary Data: Primary data for present study were obtained with the help of survey instruments, in this process a well prepared survey questionnaire were distributed among the target peoples of MSMEs

Secondary Data: the secondary data were obtained from various sources such as published research papers and other platforms

Sample Size and Design

The sample for present study were taken from the target population of MSMEs, the purpose of sample collection is to explore the role of digital platforms on transformation of MSMEs. The samples were taken with the help of structural questionnaire and **random stratified** method was adopted to collect the sample. The set of questionnaire with 12 different statements related to study variables were prepared and distributed among the target populations of MSMEs. The final questionnaires were distributed among the 100 respondents in which 88 numbers of respondents were replied positively. However, final sample size of the study is **88 (N=88)**

Sample Area: Sample Area for present study is classified among two major cities of Madhya Pradesh such as Bhopal and Indore

Measurement Tools

A five-point Likert scale is a survey tool used to measure attitudes or opinions, with five response options: Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Agree (5), allowing respondents to express varying levels of agreement or disagreement with a statement.



Tools for Data Analysis

The researcher used one way ANOVA Analysis in order to testing of Hypothesis at 5% level of significance and 95% level of confidence

Testing of Hypothesis

Table1: Role of Digital platforms towards transformation of MSMEs

Hypothesis	Statements	df	F	Sig.	Result of Hypothesis
H _{a1}	Improve Market access	3	6.249	0.043	Accepted
H _{a2}	increased efficiency	3	11.017	0.027	Accepted
H _{a3}	Enhanced competitiveness	3	9.214	0.089	Rejected
H _{a3}	Innovation and entrepreneurship	3	13.211	0.017	Accepted

Dependent variable : Transformation of MSMEs

RESULT AND FINDINGS

The result and findings can be summarize as

- The results indicate a statistically significant relationship between digital platforms and improved market access for MSMEs (F = 6.249, p = 0.043). This suggests that digital platforms can help MSMEs expand their market reach. Improved market access can lead to increased sales and revenue. MSMEs can leverage digital platforms to target new customers. Digital platforms provide opportunities for MSMEs to compete with larger businesses.

H_{a1}= Accepted

- The results show a statistically significant relationship between digital platforms and increased efficiency for MSMEs (F = 11.017, p = 0.027). This suggests that digital platforms can help MSMEs streamline their operations. Increased efficiency can lead to cost savings and improved productivity. MSMEs can use digital platforms to automate tasks and reduce manual labor. Digital platforms provide tools for MSMEs to manage their resources effectively.

H_{a2}= Accepted

- The results do not indicate a statistically significant relationship between digital platforms and enhanced competitiveness for MSMEs (F = 9.214, p = 0.089). This suggests that digital platforms may not necessarily give MSMEs a competitive edge. However, digital platforms can still provide opportunities for MSMEs to differentiate themselves. MSMEs can use digital platforms to develop unique value propositions. Further research is needed to explore the relationship between digital platforms and competitiveness.

H_{a2}= Rejected

- The results indicate a statistically significant relationship between digital platforms and innovation and entrepreneurship for MSMEs (F = 13.211, p = 0.017). This suggests that digital platforms can foster innovation and entrepreneurship among MSMEs. Digital platforms provide access to resources and tools for innovation. MSMEs can use digital platforms to develop new products and services. Digital platforms enable MSMEs to collaborate with other businesses and stakeholders.

H_{a2}= Accepted



CONCLUSIONS

The study's findings suggest that digital platforms have a significant impact on the transformation of MSMEs, particularly in terms of improving market access, increasing efficiency, and promoting innovation and entrepreneurship. However, the relationship between digital platforms and enhanced competitiveness is not statistically significant. The results indicate that MSMEs can leverage digital platforms to expand their market reach, streamline operations, and develop new products and services. To fully benefit from digital platforms, MSMEs should invest in digital infrastructure, develop a clear digital strategy, and build digital skills among employees. By doing so, MSMEs can improve their performance, increase their competitiveness, and achieve sustainable growth. The study's findings have implications for policymakers, industry stakeholders, and MSME owners, highlighting the importance of digital platforms in driving business growth and development. Overall, the study provides insights into the role of digital platforms in transforming MSMEs and contributing to their success.

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