



MSME'S TRANSITION TO DIGITAL PLATFORM. A PATH TO GROWTH AND RESILIENCE

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ABSTRACT:

This study looks at the migration process of Micro, Small, and Medium-Sized Enterprises (MSMEs) to digital platforms in order to determine growth and resilience paths in an increasingly digital environment. The study employs a comprehensive approach to examine the factors that led MSMEs to adopt digital technology, the challenges they encountered along the way, and the outcomes they saw in terms of resilience and business success. The study combines qualitative and quantitative methods, including as surveys, case studies, and interviews, to provide insightful information about the strategies and best practices that support successful digital revolutions. This study helps to establish efficient policies, support systems, and interventions to promote the digitalization of MSMEs by illuminating the opportunities and challenges they confront on their digital journey. Of MSMEs and promote their sustainable development in the digital age.

Keywords: Digital Marketing, Skill development, Customer Engagement, Customer Satisfaction, MSME, Small medium Enterprises.

1. INTRODUCTION

Micro, Small, and Medium-Sized Enterprises (MSMEs) are vital to a country's economic success because they create jobs, foster innovation, and increase GDP. Adopting digital platforms gives MSMEs a revolutionary chance to improve their competitiveness, expand into new markets, and fortify themselves against economic uncertainty in the current digital era. In order to shed light on the routes to growth and resilience in the digital era, this research project explores the crucial shift that MSMEs made to digital platforms. The three main goals of this research are as follows:

Evaluation of Digital Platform Utilizations: The first goal is to evaluate how MSMEs are currently using digital platforms. The purpose of this research is to determine the degree to which MSMEs are using digital platforms for different business operations through the use of surveys, interviews, and case studies. In addition, the research looks for ways to boost platform participation in order to increase operational effectiveness and market reach. These include technological limits, resource shortages, and organizational opposition. For policies and interventions to effectively support MSMEs in their digital transformation journey, it is imperative to comprehend the potential and constraints associated with the adoption of digital platforms.

Assessment of Digital Skills Training Programmes: The second goal is to assess how well the current digital skills training initiatives for MSME personnel are working. This research aims to quantify the effects of training activities on workforce digital literacy and competency in using digital tools and technology using quantitative assessments and qualitative analysis. The study intends to create suggestions for specialized training programmes that meet particular needs and encourage digital readiness among MSMEs by identifying gaps in digital skills and knowledge. To fully utilise digital platforms and adjust to changing market needs, MSMEs must enhance the digital capabilities of their staff.

Investigation of Customer Engagement and Satisfaction: The third objective focuses on investigating the factors influencing customer engagement and satisfaction with digital interactions among MSMEs. Through in-depth analysis of feedback mechanisms, user experience, and customer feedback data, this research aims to uncover the drivers of positive digital engagement and identify areas for improvement. By understanding customer preferences, pain points, and satisfaction levels, MSMEs can refine their digital strategies, enhance service delivery, and foster long-term customer relationships, thereby driving growth and resilience in the digital marketplace.

2. LITERATURE REVIEW

The literature on MSMEs' shift to digital platforms provides insightful information about the factors influencing, posing difficulties for, and resulting from this revolutionary process. The adoption of digital technologies among MSMEs in developing countries is examined by Chaturvedi and Das (2020) in their study, "Digitalization and its Impact on Micro, Small, and Medium Enterprises: Evidence from Developing Countries," emphasising the benefits for productivity, market access, and company growth. In a similar vein, Gupta and Sharma (2019) explore how digital platforms might help MSMEs create value, enter new markets, and cut costs associated with transactions in "Unlocking the Potential of Digital Platforms for MSMEs: Opportunities and Challenges." Adding to this, Kumar and Singh's (2018) paper, "Overcoming Barriers to Digital Transformation," delves into the difficulties MSMEs encounter when implementing digital technology in MSMEs: Lessons from the Field," emphasizing the importance of addressing infrastructure constraints, skill shortages, and regulatory hurdles to unlock the full potential of digitalization. Furthermore, in "Digital Skills Development for

MSMEs: Strategies and Best Practices" by Patel and Shah (2021), the authors analyze various strategies and best practices for enhancing digital skills among MSME employees, advocating for targeted training programs and capacity-building initiatives. Complementing this perspective, Mishra and Reddy (2017) investigate the impact of digital platform usage on customer engagement and satisfaction in "Enhancing Customer Relationships through Digital Platforms: A Study of MSMEs," underscoring the importance of personalized interactions, seamless user experience, and timely responsiveness in driving customer loyalty and retention. Collectively, these studies contribute to a deeper understanding of the multifaceted implications of MSMEs' transition to digital platforms, offering valuable insights for policymakers, industry practitioners, and MSME owners seeking to harness the benefits of digitalization for growth and resilience.

Objective of The Study

1. Assess the current level of digital platform utilization among MSMEs, identify barriers to adoption, and explore strategies to enhance platform engagement for improved operations.
2. Evaluate the effectiveness of existing digital skills training programs for MSME employees, measure the impact on workforce digital literacy, and develop recommendations.
3. Investigate the factors influencing customer engagement and satisfaction with digital interactions among MSMEs, analyze feedback mechanisms and user experience.

Hypothesis Development

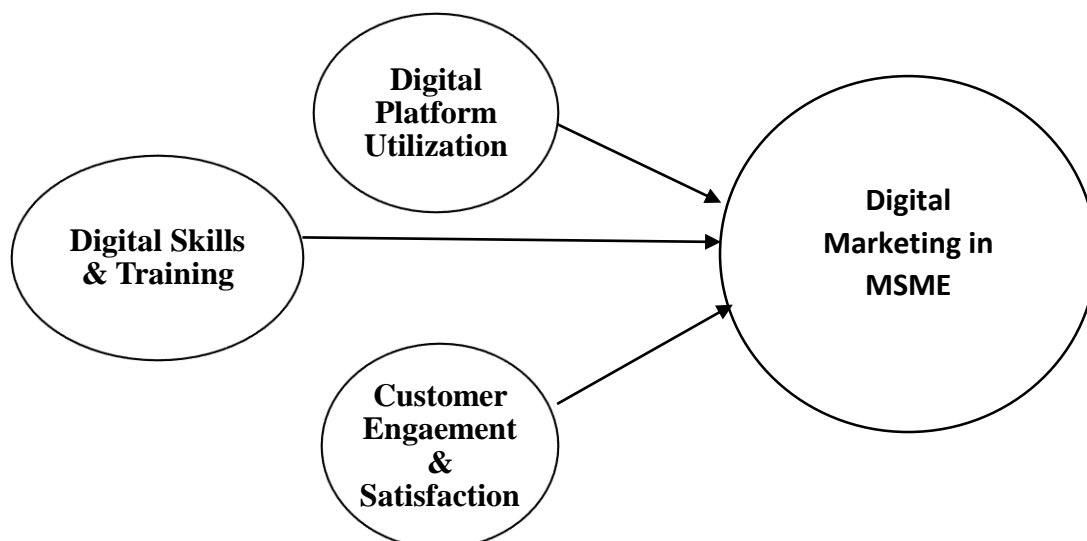
The following hypothesis are formulated to test objective.

H1: There is a significant relationship between ‘Gender’ and Digital platform utilization for customer retention.

H2: There is a significant relationship between ‘Age ‘and Digital Skills and Training for franchise members

H3: There is a significant relationship between ‘Maintain digital platforms’ leads to increase in the increase of customer’s satisfaction.

Research Model



3. RESEARCH METHODOLOGY

This study looks into how MSMEs are moving to digital platforms using a mixed-methods approach. In order to gauge important performance metrics including resilience and business growth, as well as the current state of digital platform usage, quantitative surveys will be carried out. Insights into the motivations, difficulties, and results of digital transformation for MSMEs will be provided using qualitative techniques, such as case studies and interviews, which will supplement the quantitative data. A literature review will also help shape the theoretical framework and study design. This research attempts to provide a thorough knowledge of the factors driving MSMEs' shift to digital platforms and its consequences for growth and resilience by triangulating data from various sources.

Sampling and Data Collection

The sample size is 209 from all different demographics of people who run Small medium enterprises. The data is collected by using Google Forms and it was given to people who own or run small business of MSME. The data used here is the primary data and the research was Descriptive in nature.

Tools for Analysis

Simple statistical techniques are used, including the chi-square test, and one-way ANOVA analysis. These were carried out with the help of software like SPSS software.

Data Analysis and Major Findings

H0: There is no significant relationship between 'Gender' and Digital platform utilization for customer retention.

H1: There is a significant relationship between 'Gender' and Digital platform utilization for customer retention.

The ANOVA analysis explores the relationship between gender and digital platform utilization for customer retention. If the null hypothesis (H0) is rejected, it indicates a significant gender-based difference in digital platform usage. Conversely, accepting H0 suggests no significant gender-related variance in platform utilization. Insights from the analysis help discern if gender influences activities like updating and maintaining digital platforms, customer acquisition efforts, maintaining a cohesive online presence, and monitoring key metrics for retention. Significant findings provide valuable guidance for tailoring digital strategies to better engage diverse gender demographics and optimize customer retention efforts effectively.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Do you actively utilize digital platforms (e.g., websites, social media, e-commerce platforms) to promote your products or services?	Between Groups	9.564	1	9.564	7.995	.005
	Within Groups	247.632	207	1.196		
	Total	257.196	208			
Do you regularly update and maintain your presence on digital platforms to ensure visibility and	Between Groups	16.669	1	16.669	20.037	.000
	Within Groups	172.211	207	.832		

relevance to your target audience?	Total	188.880	208			
Do you leverage digital platforms for customer acquisition, sales transactions, and order fulfillment processes?	Between Groups	5.270	1	5.270	9.367	.003
	Within Groups	116.453	207	.563		
	Total	121.722	208			
Do you integrate multiple digital platforms seamlessly to create a cohesive online presence for your MSME?	Between Groups	10.880	1	10.880	9.531	.002
	Within Groups	236.278	207	1.141		
	Total	247.158	208			
Do you actively monitor and analyze key metrics (e.g., website traffic, social media engagement, conversion rates) to optimize your digital platform utilization?	Between Groups	12.271	1	12.271	10.771	.001
	Within Groups	235.815	207	1.139		
	Total	248.086	208			

The ANOVA analysis reveals significant relationships between gender and various aspects of digital platform utilization for customer retention. With p-values of .005 for digital platform utilization, .000 for updating and maintaining platforms, .003 for customer acquisition, .002 for maintaining a cohesive online presence, and .001 for monitoring key metrics, all below the significance level of 0.05, the null hypothesis is rejected. Consequently, the alternative hypothesis is accepted, indicating a significant relationship between gender and digital platform utilization for customer retention. These findings suggest that gender influences various aspects of digital engagement strategies, including platform usage, updating efforts, customer acquisition tactics, maintaining online presence coherence, and monitoring key metrics for effective customer retention.

H0: There is no significant relationship between 'Age' and Digital Skills and Training for franchise members

H1: There is a significant relationship between 'Age' and Digital Skills and Training for franchise members.

The Chi-square analysis investigates the relationship between age and digital skills and training for franchise members. If the significance level is below 0.05, rejecting the null hypothesis indicates a significant association between age and digital skills training. Conversely, accepting the null hypothesis suggests no significant age-related differences in training provision. This analysis aids in understanding if age influences participation in digital workshops, access to resources and support, engagement in learning and experimentation, development of digital skills, and access to comprehensive training programs among franchise members. Significant findings provide insights for tailoring training initiatives to cater to diverse age groups effectively within franchise networks. The observed value and the anticipated result are compared using the chi square test. Assume that the P value is 0.05.

Age * Do you provide resources and support for employees to stay updated on emerging technologies and digital trends relevant to your industry?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.056 ^a	8	.000
Likelihood Ratio	19.525	8	.012
Linear-by-Linear Association	.467	1	.494
N of Valid Cases	209		
a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is .54.			

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is lesser than P value i.e. 0.05. The Null hypothesis is rejected and alternative hypothesis is accepted so there is a relationship between Age and Resources & support.

Age * Do you encourage continuous learning and experimentation with digital tools and platforms within your MSME?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.524 ^a	8	.230
Likelihood Ratio	9.005	8	.342
Linear-by-Linear Association	.448	1	.503
N of Valid Cases	209		
a. 7 cells (46.7%) have expected count less than 5. The minimum expected count is .40.			

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is greater than P value i.e. 0.05. The Null hypothesis is accepted and alternative hypothesis is rejected so there is no relationship between age and Learning & experiment.

Age * Do you believe that possessing adequate digital skills among your workforce is essential for effectively utilizing digital platforms?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.250 ^a	8	.834
Likelihood Ratio	4.542	8	.805
Linear-by-Linear Association	.242	1	.623
N of Valid Cases	209		
a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is .54.			

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is greater than P value i.e. 0.05. The Null hypothesis is accepted and alternative hypothesis is rejected so there is no relationship between age and Adequate digital skills.

Age * Do you perceive a need for more comprehensive digital skills training programs tailored specifically for MSMEs?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.696 ^a	8	.570
Likelihood Ratio	7.333	8	.501
Linear-by-Linear Association	1.277	1	.258
N of Valid Cases	209		
a. 5 cells (33.3%) have expected count less than 5. The minimum expected count is .54.			

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is greater than P value i.e. 0.05. The Null hypothesis is accepted and alternative hypothesis is rejected so there is no relationship between age and comprehensive digital skills

Age * Do you invest in training programs or workshops to enhance digital skills among your employees (e.g., digital marketing, data analytics, and website development)?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.415 ^a	8	.004
Likelihood Ratio	16.398	8	.037
Linear-by-Linear Association	.012	1	.914
N of Valid Cases	209		
a. 7 cells (46.7%) have expected count less than 5. The minimum expected count is .47.			

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is lesser than P value i.e. 0.05. The Null hypothesis is rejected and alternative hypothesis is accepted so there is a relationship between age and Digital workshops.

H0: There is no significant relationship between ‘Maintain digital platforms’ leads to increase in the increase of customer’s satisfaction.

H1: There is a significant relationship between ‘Maintain digital platforms’ leads to increase in the increase of customer’s satisfaction.

In the current study, we looked into the connection between Maintain digital platforms’ leads to increase in the increase of customer’s satisfaction. The study’s premise proposed a substantial correlation between Maintain digital platforms’ leads to increase in the increase of customer’s satisfaction.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.439 ^a	.192	.173	.867
a. Predictors: (Constant), Digital customer engagement, Personalize Customer experience, Customer satisfaction metrics, Loyalty & Repeat business, and Feedbacks.				

The R and R2 values are shown in this table. The "R" Column's R value, which denotes the simple correlation, is 0.499, indicating a high degree of correlation. The R2 value, also referred to as the "R Square" column, shows the percentage that the independent variable (Digital customer engagement, Personalize Customer experience, Customer satisfaction metrics, Loyalty & Repeat business, and Feedbacks) accounts for in explaining the overall variation in the dependent variable (Maintain Digital platforms). In this instance, a very significant 49% may be explained.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.349	5	7.270	9.675	.000 ^b
	Residual	152.531	203	.751		
	Total	188.880	208			

- a. Dependent Variable: Do you regularly update and maintain your presence on digital platforms to ensure visibility and relevance to your target audience?
- b. Predictors: (Constant), Digital customer engagement, Personalize Customer experience, Customer satisfaction metrics, Loyalty & Repeat business, and Feedbacks.

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.715	.344		4.986	.000
	Do you actively engage with customers through digital platforms to gather feedback, address inquiries, and resolve issues in a timely manner?	.402	.080	.334	5.029	.000
	Do you use digital platforms to personalize customer experiences and tailor offerings based on their preferences and past interactions?	-.094	.167	-.108	-.566	.572

Do you measure customer satisfaction metrics (e.g., Net Promoter Score, customer reviews) to evaluate the effectiveness of your digital engagement efforts?	.170	.178	.193	.957	.340
Do you believe that enhancing customer engagement through digital platforms can lead to increased loyalty and repeat business?	.039	.237	.045	.165	.869
Do you actively seek to improve customer satisfaction levels by implementing feedback received through digital channels?	.096	.070	.096	1.362	.175

a. Dependent Variable: Do you regularly update and maintain your presence on digital platforms to ensure visibility and relevance to your target audience?

The regression analysis indicates a significant relationship between maintaining digital platforms and certain customer engagement metrics. With digital customer engagement yielding a p-value of .000, rejecting the null hypothesis, there's strong evidence supporting its association with maintaining digital platforms. However, other metrics such as personalized customer experience (p = .572), customer satisfaction metrics (p = .340), loyalty & repeat business (p = .869), and customer feedback (p = .175) show non-significant p-values, failing to reject the null hypothesis. This suggests that while maintaining digital platforms significantly influences digital customer engagement, it may not directly impact other aspects of customer satisfaction and loyalty. Further analysis and targeted strategies may be necessary to understand and enhance these other dimensions of customer experience.

Findings and Suggestions

Findings

The research findings elucidate significant insights across various analyses. ANOVA analysis unveils a significant relationship between gender and digital platform utilization for customer retention, highlighting gender's influence on diverse engagement strategies. Conversely, Chi-square analysis indicates no relationship between age and essential aspects like resources & support, learning & experimentation, and adequate digital skills, emphasizing the need for tailored training initiatives. Additionally, regression analysis underscores the significance of maintaining digital platforms for enhancing digital customer engagement. However, other customer engagement metrics like personalized experience, satisfaction, loyalty, adequate skills & training and feedback show non-significant associations, suggesting the need for further exploration to enhance these dimensions of customer experience effectively. These multifaceted findings provide valuable guidance for refining digital strategies and training programs to optimize customer retention and satisfaction in competitive market landscapes.

Suggestions

Based on the research findings indicating no significant relationships between age and crucial aspects like resources & support, learning & experimentation, adequate digital skills, comprehensive digital skills, and digital workshops, coupled with the limited impact of maintaining digital platforms on certain customer engagement metrics like personalized

experience, satisfaction, loyalty, and feedback, several suggestions and improvements can be proposed. Firstly, there's a need to revamp training programs to ensure they address diverse age groups' needs adequately, incorporating hands-on learning opportunities and personalized support. Additionally, strategies to enhance customer engagement beyond digital platforms should be explored, such as implementing innovative loyalty programs and soliciting direct customer feedback through various channels. Moreover, refining digital platforms to offer more personalized experiences and measuring customer satisfaction through comprehensive metrics could bolster customer retention efforts effectively. These suggestions aim to optimize customer experiences across different dimensions and foster long-term loyalty in competitive market landscapes.

4. CONCLUSION

To sum up, this study offers insightful information about the complex dynamics of client engagement and retention tactics in digital environments. The results highlight how gender has a major impact on the use of digital platforms for customer retention, highlighting the significance of customized strategies to successfully engage a range of consumer groups. On the other hand, the absence of strong correlations between age and critical components of digital skills and training emphasizes the necessity of focused efforts to fully meet the many age-related needs. Furthermore, even though upkeep of digital platforms is essential for improving client engagement, more research is necessary to maximize other aspects of the customer experience, like customized interactions, contentment, loyalty, and feedback. The suggestions put forth, including revamping training programs, exploring innovative engagement strategies, and refining digital platforms for enhanced personalization and satisfaction measurement, offer actionable steps to improve customer experiences and foster long-term loyalty in competitive market landscapes. By implementing these suggestions, businesses can better navigate the digital landscape and forge stronger connections with their customers, ultimately driving sustainable growth and success.

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