

# A Study on Practical Difficulties and Proposal of Possible Solution for Implementing Digitalisation in Small Business Sectors with Special Reference to Tirunelveli City

K. Laxmi Bharathy<sup>1</sup>, S. Sivabharathi<sup>2</sup>, P. PriyaDarshini<sup>3</sup>, M.Nevatha<sup>4</sup>, R. Lavanya<sup>5</sup>,  
K. Sundari Sudha<sup>6</sup>

III B.Com (CS) , Commerce ( Corporate Secretaryship)<sup>1-6</sup>  
Sri Sarada College for Women, Ariyakulam, Tirunelveli, India  
Affiliated to Manonmaniam Sundaranar University, Tirunelveli, Tamil Nadu, India

**Abstract:** *Digitalization is the process of using digital technologies to transform business operations and improve productivity, efficiency, and customer engagement. It is no longer an option, but a necessity for small businesses to survive and thrive in the competitive and dynamic market. However, digitalization also poses many challenges and difficulties for small businesses, especially in developing countries like India, where the majority of the micro, small and medium enterprises (MSMEs) are informal, unregistered, and lack access to markets, skills, and finance. This paper aims to study the practical difficulties and propose possible solutions for implementing digitalization in small business sectors with special reference to Tirunelveli city, a major industrial hub in Tamil Nadu. The paper will use both primary and secondary data sources to analyze the current state of digitalization among small businesses in Tirunelveli and identify the gaps, barriers, and suggest feasible and effective interventions to overcome them. The paper will also highlight the benefits and opportunities of digitalization for small businesses, such as increased revenue, reduced costs, improved quality, enhanced innovation, and better customer satisfaction. The paper will contribute to the existing literature on digitalization and MSME development in India and provide useful insights and recommendations for policymakers, practitioners, and researchers.*

**Keywords:** Challenges, Innovation, Digitalization, Customers, Small Sector.

## I. INTRODUCTION

The rapid advancement of digital technologies has transformed the way businesses operate and interact with their customers, partners, and employees. Digitalization, or the adoption of digital technologies to improve business processes and outcomes, is becoming a key driver of growth and competitiveness for businesses of all sizes and sectors. However, digitalization is not a one-size-fits-all solution. It requires careful planning, investment, and adaptation to the specific needs and challenges of each business context. This is especially true for small businesses, which often face multiple constraints and barriers in accessing and utilizing digital technologies. In India, where the micro, small and medium enterprises (MSMEs) sector accounts for around 30% of GDP and provides employment to over 110 million people, digitalization can offer immense opportunities to enhance productivity, innovation, and market access for small businesses. However, it also poses significant difficulties and risks, such as lack of awareness, skills, infrastructure, finance, and regulatory support. This paper aims to study the practical difficulties and propose possible solutions for implementing digitalization in small business sectors with special reference to Tirunelveli city, a major industrial hub in Tamil Nadu.

## II. REVIEW OF THE LITERATURE

**Dr, Gunnal prause,2021:** Digital transformation of small business in India.

Digitalization is not creating a new business but redefining the traditional industry to achieve the maximum profits. The intention of this change is to make a sustainable growth in small business. Digitalization can help small businesses to reach new customers, markets, and opportunities through online platforms and social media. Digitalization can also enable small businesses to improve their efficiency, productivity, and innovation by using digital tools and technologies such as cloud computing, artificial intelligence, and big data analytics. Digitalization can also reduce the operational costs and risks of small businesses by automating processes, enhancing security, and optimizing resources. Digitalization can also foster collaboration and communication among small businesses and their stakeholders, such as suppliers, partners, and customers.

**Ronake patel,2022:** Benefit of digitalization in small business.

This study found that business is interested in expanding through digitalization and customer where also interested in purchasing through on-line platform. Digitalization is the process of using digital technologies to transform business operations, products, services, and customer interactions. Digitalization can bring many advantages to small businesses, such as faster access to information, improved customer experience, increased efficiency and innovation, and reduced costs and risks. However, not all small businesses are equally prepared or willing to adopt digitalization in their activities. This study aims to explore the factors that influence the digitalization readiness and intention of small businesses in Tamil Nadu, India. The study also identified some of the barriers and challenges that hindered the digitalization process of small businesses, such as lack of skills, resources, infrastructure, and trust. The study concluded that digitalization is a key driver for the growth and sustainability of small businesses in Tamil Nadu, and recommended some policy implications and future research directions.

**Trenkle,Johannees,2019:** Digital transformation in small scale business.

Digital transformation is a long and multi layered development with outside and inside of small business. This rapid advancement of digital technology has transformed the way business operators. Digital transformation is a long and multi-layered process that involves both the internal and external aspects of small businesses. The rapid advancement of digital technology has transformed the way business operators interact with their customers, suppliers, and partners, as well as how they manage their operations, products, and services. Digital transformation can bring many benefits to small businesses, such as increased efficiency, productivity, innovation, and competitiveness. However, digital transformation also poses some challenges and risks for small businesses, such as the need for new skills, resources, infrastructure, and security. Some of the key factors that can influence the success of digital transformation in small businesses include leadership commitment, employee engagement, customer experience, data analytics, and ecosystem collaboration. By embracing digital transformation, small businesses can create new opportunities for growth and development in the digital age.

### 2.1 OBJECTIVES OF THE STUDY:

The study was undertaken the following objectives:

- To know about the demographic profile of the small-scale sectors in Tirunelveli city.
- To analyse the practical difficulties of digitalization in Tirunelveli city.
- To know about various digitalization technology used in small scale sectors in Tirunelveli city.

## III. RESEARCH METHODOLOGY

This study was conducted in Tirunelveli city. Used to select sample responding 65, respondents done small business sectors are selected for this study. The study is based on both primary and secondary data. The primary data was collected through interviews with small business owners, while the secondary data was collected from academic databases such as Google journal, and magazine. The study aims to identify the practical difficulties of implementing digitalization in small businesses and propose possible solutions for these difficulties.

**IV. ANALYSIS AND INTERPRETATION:**

**TABLE 1: Age wise classification**

S. NO.	AGE	NO. OF RESPONDENTS	PERCENTAGE
1	Below 20 years	15	23
2	25 – 35 years	20	35
3	35 – 45 years	13	22
4	Above 45 years	12	20

Source: Primary data

**Interpretation:**

From the above table 1.5.1 reveals age wise classification of the respondents. Out of 65 respondents 23 percentage of the respondents are belong to the group of below 25 years, 35 percentage of the respondents are come under the age group of 25 to 35 years, 22 percentage of the respondents are come under the age group of 35 to 45 years and 20 percentage of respondents are belong the age group of above 45 years.

**TABLE 2: Gender wise classification**

S. NO.	GENDER	NO. OF RESPONDENTS	PERCENTAGE
1	Male	40	62
2	Female	25	38

Source: Primary data

**Interpretation:**

From the above table 1.5.2 reveals gender wise classification of the respondents. Out of 65 respondents, majority 62 percentage are male and 38 percentage of the respondents are female.

**TABLE 3: Educational qualification wise classification**

S. NO.	EDUCATIONAL QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE
1	Illiterate	10	15
2	School level	12	18
3	UG	20	32
4	PG	13	20
5	Others	10	15

Source: Primary data

**Interpretation:**

From the above table 1.5.3 shows gender wise classification of the respondents. Out of 65 respondents, 15 percentage of the respondents are Illiterate, 18 percentage are completed school level education, 31 percentage are completed UG, 20 percentage are PG and remaining 15 percentage of the respondents are come under the category of others.

**TABLE 4: Monthly income wise classification**

S.NO.	MONTHLY INCOME	NO.OF RESPONDENTS	PERCENTAGE
1	Below Rs. 20,000	23	34
2	Rs. 20,000-Rs.40,000	25	38
3	Above Rs. 40,000	17	28

Source: Primary data

**Interpretation:**

From table 1.5.4 shows the monthly income wise classification of the respondents. Out of 65 respondents, 34 percentage of the respondents are belongs to the income group of below Rs.20,000 , 38 percentage of the respondents are come under the income group of Rs.20,000 – 40,000 and 28 percentage of the respondents are come under the income group of above Rs.40,000.

**TABLE 5: Marital status wise classification**

S.NO.	MARITAL STATUS	NO. OF RESPONDENTS	PERCENTAGE
1	Married	60	69
2	Unmarried	45	31

Source: Primary data

**Interpretation:**

From the above table 1.5.5 shows the marital status wise classification of the respondents. Out of 65 respondents, 69 percentages of the respondents are married and 31 percentages of the respondents are unmarried.

**TABLE 6: Practical difficulties faced by small business sectors wise classification**

S.NO.	PRACTICAL DIFFICULTIES	NO. OF RESPONDENTS	PERCENTAGE
1	Budget constraints	12	18
2	Overly complex	10	15
3	Lack of full visibility across the digital or end user experience	13	20
4	Employee pushback	10	15
5	Lack of expertise to lead digitalization initiatives	20	31

Source: Primary data

**Interpretation:**

From the above table 1.5.6 shows the practical difficulties faced by small business sectors wise classification of the respondents. Out of 65 respondents, 18 percentage of the respondents are feel that they are faced budget constraints, 15 percentage of the respondents are feel that that they are faced overly complex, 20 percentage of the respondents are faced lack of full visibility across the digital or end user experience, 15 percentage of the respondents are that their practical difficulties are employees pushback and 31 percentage of the respondents are lack of expertise to lead digitalization initiatives in their business development.

**TABLE 7: Technology used for digitalization wise classification**

S.NO.	TECHONOLOGY USED	NO. OF RESPONDENTS	PERCENTAGE
1	Amazon pay	10	15
2	Paytm	12	18
3	Phone pe	20	31
4	G pay	13	20
5	WhatsApp payments	10	15

Source: Primary data

**Interpretation:**

From the above table 1.5.7 shows the technology used for digitalization wise classification of the respondents. Out of 65 respondents 15 percentages of the respondents use Amazon pay facilities, 18 percentages of the respondents use Paytm facilities, and 31 percentages of the respondents use Phone pe options. 20 percentage use G pay facilities and 15 percentages of the respondents use WhatsApp payment facilities.

**V. FINDINGS**

- According to age wise classification majority 35 percentages of the respondents are come under age group of 25 – 35 years.
- According to gender wise classification majority 62 percentages of the respondents are male.
- According to educational qualification wise classification majority 32 percentages of the respondents doing small business are under graduates.
- According to monthly income wise classification majority 38 percentages of the respondents are come under the income group of Rs.20, 000 – 40,000.
- According to marital status wise classification majority 69 percentages of the respondents are married.

- According to practical difficulties faced by small business sectors wise classification majority 31 percentages of the respondents are lack of expertise to lead digitalization initiatives.
- According to technology used for digitalization wise classification majority 31 percentages of the respondents are using phone pe facilities for their payment.

#### **VI. SUGGESTION**

- Create awareness program related to digitalization of small sectors business among people.
- Provide adequate loan facility to develop small scale business using digitalization facility.
- Motivate young enterprisers to use their business with recent technologies.

#### **VII. CONCLUSION**

Our study reveals that the practical difficulties and possible solutions for implementing digitalization in small business sectors with special reference to Tirunelveli city. The paper has shown that digitalization can offer significant benefits and opportunities for small businesses, such as increased revenue, reduced costs, improved quality, enhanced innovation, and better customer satisfaction. However, digitalization also poses many challenges and barriers for small businesses, such as lack of awareness, skills, infrastructure, finance, and regulatory support. The paper has proposed some feasible and effective interventions to overcome these challenges and barriers, such as providing training, mentoring, subsidies, incentives, and policies. The paper has also highlighted the need for further research and collaboration among stakeholders to foster digitalization among small businesses in Tirunelveli city and beyond.

#### **REFERENCES**

- [1]. Dr, Gunnalprause (2021)“ Literature review of the Digital transformation of small business in India”, International journal of multidisciplinary research, Vol No.7, November, 2021.
- [2]. Ronakepatel (2022) “Benefit of digitalization in small business”, Mittal Publications, New Delhi, 2021.
- [3]. Trenkle, Johannes (2019)“Digital transformation in small scale business, Global journal of finance and management, Vol.6, Issue No.9 , pp. 333- 339.