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A Study On The Growth Of Small Businesses In The Era Of Globalization With Special Reference To Coimbatore

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ABSTRACT

The study examines the growth of small businesses in the era of globalization and how expanding global markets have created new opportunities and challenges for them. Globalization has enabled small enterprises to access international customers, advanced technologies, and diverse resources, thereby improving their competitiveness and innovation capabilities. The rise of digital platforms and e-commerce has further accelerated business expansion beyond local boundaries. However, small businesses also face intense competition from large multinational companies, fluctuations in global demand, and the need to comply with international standards. Access to finance, skilled labor, and technological adoption remain critical factors influencing their growth. Government policies, support programs, and infrastructure development play a significant role in strengthening small enterprises. The study highlights that globalization encourages entrepreneurship, enhances productivity, and promotes economic development. At the same time, it emphasizes the importance of strategic planning, quality improvement, and market adaptation for sustainable growth. Overall, small businesses can thrive in the globalized economy by leveraging innovation, maintaining competitiveness, and responding effectively to changing market trends.

Keywords: Globalization, Small Businesses, Economic Growth, Entrepreneurship, E-commerce, International Market, Technology Adoption

1. INTRODUCTION

The study focuses on the growth of small businesses in the era of globalization with special reference to Coimbatore, a prominent industrial and entrepreneurial hub in Tamil Nadu. Globalization has opened new avenues for small enterprises by providing access to international markets, advanced technologies, and improved business practices. In Coimbatore, small businesses play a vital role in sectors such as textiles, engineering, and services, contributing significantly to employment generation and economic development. The city's strong industrial base, availability of skilled labor, and supportive infrastructure have encouraged the expansion of small-scale enterprises. However, globalization also brings challenges such as increased competition, changing consumer preferences, and the need to maintain global quality standards. Small businesses in Coimbatore must adapt to technological advancements and adopt innovative strategies to sustain growth. Government initiatives and financial support systems further help in strengthening these enterprises. This study aims to analyze the opportunities and challenges faced by small businesses in the globalized environment and their overall contribution to regional development.

2. GROWTH AND DEVELOPMENT OF SMALL BUSINESSES IN COIMBATORE

Small businesses in Coimbatore have experienced significant growth due to the city's strong industrial base and entrepreneurial culture. Known for its dominance in textile and engineering sectors, Coimbatore provides ample opportunities for small-scale enterprises to expand and innovate. The availability of skilled labor, raw materials, and supportive infrastructure has contributed to steady business development. Globalization has further enabled these businesses to access wider markets and adopt modern technologies. Government support in the form of subsidies, training programs, and financial assistance has strengthened small enterprises. Additionally, the rise of digital platforms and e-commerce has helped local businesses reach customers beyond regional boundaries. Despite facing challenges such as competition and fluctuating market conditions, small businesses continue to adapt and grow. Many enterprises focus on quality improvement and cost efficiency to remain competitive. The growth of these businesses has also contributed to employment generation and regional economic development. Overall, small businesses in Coimbatore play a crucial role in sustaining the city's economic progress.

3. REVIEW OF LITERATURE

Kotler (2023) emphasizes the importance of marketing strategies in the success of small businesses in a globalized era. The study explains that digital marketing, branding, and customer relationship management play a vital role in expanding business reach. Small businesses can use online platforms to promote their products globally at lower costs. The study concludes that understanding customer needs and adopting modern marketing techniques are essential for growth. Customer Satisfaction:

Acs (2022) emphasizes the role of entrepreneurship in driving the growth of small businesses in a globalized economy. The study explains that globalization encourages the creation of new ventures by providing access to resources, knowledge, and international opportunities. Small businesses contribute significantly to innovation, employment, and economic development. However, the study also highlights challenges such as limited financial resources and market uncertainties. It concludes that supportive policies, entrepreneurial skills, and innovation are essential for the sustainable growth of small enterprises.

Knight (2021) focuses on the internationalization of small businesses and explains how globalization has enabled even small firms to enter global markets at an early stage. The study highlights that with the help of digital technologies and online platforms, small businesses can export products and reach international customers without heavy investment. However, the author also points out that global expansion requires knowledge of foreign markets, cultural understanding, and strong strategic planning. The study concludes that firms with innovative capabilities and global orientation tend to achieve faster growth.

4.OBJECTIVES OF THE STUDY

- To analyze the impact of globalization on the growth of small businesses.
- To examine the development and performance of small businesses in Coimbatore.
- To identify the opportunities created by globalization for small enterprises.
- To study the challenges faced by small businesses in a globalized environment.
- To suggest measures for improving the growth and sustainability of small businesses.

5. RESEARCH METHODOLOGY

5.1. Research Design

The study adopts a descriptive and analytical research design. The descriptive approach is used to understand the characteristics of small businesses, while the analytical approach helps in examining the relationship between independent variables such as global markets, technological adoption, financial support, government policies, and competitive environment with the dependent variable, growth of small businesses.

5.2. Data Collection Method

The study is based on both primary and secondary data.

Primary data was collected through a structured questionnaire distributed to respondents.

Secondary data was gathered from journals, articles, books, and reliable online sources to support the research.

5.3. Sampling Design

The study uses a convenience sampling method to collect data from respondents. A total of 275 respondents were selected for the study, representing small business owners.

5.4. Area of the Study

The research focuses on small businesses with special reference to a selected region (e.g., Coimbatore / relevant area)

5.5 Tools for Data Analysis

- Frequency Distribution
- Pearson Correlation
- Multiple Regression Analysis
- ANOVA
- Descriptive Statistics

6. FINDINGS OF THE STUDY

Table 6.1

Observation frequency of gender of the respondents

Gender	Frequency	Percent	Valid Percent
Male	171	62.18	62.18
Female	91	33.09	33.09
prefer not to say	13	4.73	4.73
Total	275	100	100

The above table (6.1) shows the respondent's gender. male (n=171, 62.18%) female (n=91, 33.09%). Whereas the option of prefer not to say was (n=13, 4.73%) of the respondents.

Table 6.2

Observation frequency of age of the respondents

Age	Frequency	Percent
21-30	16	5.82
31-40	143	52.00
41-50	83	30.18
50-60	33	12.00
Total	275	100.00

Out of 275 respondents, the young population has taken the lead in entrepreneurship. Highest entrepreneur age groups being the age group of 31 years to 40 years (n=143, 52%). The entrepreneur from age 41 to 50 years were (n=83, 30.18%). Similarly, 33 respondents were 50 years to 60 years (12%) and 16(5.82) were 21 years to 30 years of age.

Table 6.3

Observation frequency of Business Performance Improvement of the Respondents

Business Performance Improvement	Frequency	Percent	Valid Percent
Higher Profit	66	24.00	24.00
Better Quality	54	19.64	19.64
Increased Customers	65	23.64	23.64
Brand Recognition	90	32.73	32.73
Total	275	100	100

The respondents were Business Performance Improvement. So, the table 6.3 shows that 32.73% of the respondents Brand Recognition, whereas 23.64% of the respondents Increased Customers. However, 66 people (24%) of the respondents Higher Profit 19.64% of respondents Better Quality.

Correlation between dependent and independent variable

The study on the growth of small businesses in the era of globalization with special reference to Coimbatore, the relationship between independent variables (access to global markets, technological adoption, financial support, government policies, and competitive environment) and the dependent variable (growth of small businesses) is analyzed.

Pearson correlation was conducted and the results of this correlation are presented in table 6.4

Table 6.4

*Correlation between dependent and independent variable***Correlations**

	GSB	GM	TA	FS	GP	CE
GSB	1					
GM	.694**	1				
TA	.522**	.617**	1			
FS	.621**	.693**	.625**	1		
GP	.581**	.616**	.528**	.626**	1	
CE	.565**	.573**	.521**	.633**	.655**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Note:

GSB = Growth of Small Businesses

GM = Global Markets

TA = Technological Adoption

FS = Financial Support

GP = Government Policies

CE = Competitive Environment

Since the significant level was more than (0.01), the findings of the correlation coefficient using Pearson correlation showed a significant correlation between Global Markets and Growth of Small Businesses ($r=0.694$), but not between Technological Adoption and Growth of Small Businesses ($r=0.569$). Technological Adoption and Growth of Small Businesses also have a favorable link ($r=0.621$). In general, there is a strong association between Global Markets, Technological Adoption and Growth of Small Businesses, as seen in table 6.4. The findings show a low but favorable relationship between Government Policies and Competitive Environment and Growth of Small Businesses.

A conclusion can be drawn from the above table 6.4 that there is a positive relation between dependent variables too.

Regression analysis**Table 6.5****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.74	0.55	0.54	0.81

a. Predictors: (Constant), global markets, technological adoption, financial support, government policies, and competitive environment

The preceding table (6.5) reveals that the correlation coefficients (r) of the analysis ($r=0.74$) suggest that independent factors and Growth of Small Businesses have a positive relationship. In the model summary table, the value of this R square ($R^2=0.55$) and this value show that 55% of Growth of Small Businesses increased as a result of the various influencing factors of Growth of Small Businesses. And the total amount of change in dependent variable due to the effect of independent variable is shown with the aid of R square.

Table 6.6**ANOVA**

Sum of Squares	df	Mean Square	F	Sig.
Regression 211.10	5	42.22	65.08	0.00
Residual 174.52	269	0.65		
Total 385.63	274			

a. Predictors: (Constant), global markets, technological adoption, financial support, government policies, and competitive environment

b. Dependent Variable: Growth of Small Businesses

Regression analysis' statistical results are displayed in ANOVA table (6.6) When the value or significance is less than 0.05 and is sufficient to forecast the result or dependent variable, which is Growth of Small Businesses, it is evident that the whole model under consideration is significant. Therefore, the overall model under study is significant since the value of significance in the table, which is 0.00 and less than 0.05.

Table 6.7

<i>Descriptive statistics of Business Growth</i>					
What factor do you think contributed most to the growth of your business	N	Min	Max	Mean	SD
Access to global markets	275	1	5	2.52	1.52
Technological adoption	275	1	5	2.79	1.60
Financial support	275	1	5	2.57	1.55
Competitive Strategies	275	1	5	2.66	1.58

The above table 6.7 shows the dimensions of Business Growth where, personnel's attitude (Mean= 2.73, SD= 1.57) has the highest mean and standard deviation and Access to global markets (Mean= 2.52, SD= 1.52) has the lowest mean and standard deviation.

7. LIMITATION OF THE STUDY

- The study is limited to 275 respondents, which may not fully represent all small businesses in Coimbatore.
- The data is based on respondents' opinions, which may involve bias and affect accuracy.
- The study is restricted to a specific geographical area, so the findings cannot be generalized to other regions.

8. CONCLUSION

The study reveals that globalization has created significant opportunities for small businesses to expand and compete in wider markets. Access to international markets has allowed businesses to increase revenue, diversify products, and explore new customer segments. Adoption of modern technology and digital platforms has enhanced efficiency, marketing reach, and operational competitiveness. Financial support from banks, investors, and government initiatives has enabled businesses to invest in growth and innovation. Entrepreneurial skills and strategic planning have emerged as key factors in navigating global competition successfully. Government policies and programs have provided a supportive framework, although awareness and utilization vary among small business owners. Despite challenges like limited resources, intense competition, and market uncertainties, many firms in Coimbatore have demonstrated resilience and adaptability. Small businesses contribute to employment generation, economic development,

and innovation in the local economy. Overall, globalization, combined with effective management and innovation, has positively influenced the growth trajectory of small enterprises. This study emphasizes the importance of strategic, technological, and financial initiatives for sustainable business growth in a globalized environment.

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