

Chapter V

ANALYSIS AND INTERPRETATION OF DATA : COMPARISON AND DIFFERENTIATION OF GROUPS

5.1 Introduction

This is the first of the two chapters in which the data collected are analysed, interpreted and discussed.

In the present chapter, the different groups are compared and differentiated with respect to each of the marketing variables. In section I, the level of performance of the groups in each marketing practice is highlighted. Also, the variability in the practice of each of the marketing decisions for each of the groups is discussed. The statistical techniques for analysing the data utilized here are, arithmetic mean, standard deviation, co-efficient of variation and percentages.

In section II of the present chapter, each dichotomous classification is taken up for discussion at a time, and the groups are differentiated on the basis of marketing practices. The grouped t-test is applied to test the difference between the two means. At first the F test is applied for testing the equality of variance, next either the pooled variance estimate t test or the separate variance estimate

t test is applied (depending on the F value).
Thus the two groups are discriminated on the basis
of various marketing practices.

SECTION - I

5.2 Performance of the sample on different marketing practices

Before going into the group-wise discussion, the performance of the sample as a whole on the various marketing practices needs to be stated.

This facilitates better comparison on the performance level of the various sub-groups in respect of their marketing practices.

Table V-1 gives the mean, standard deviation and co-efficient of variation for the sample as a whole.

Table V-1 : Performance of the entire sample on different marketing practices

| Variable | Entire Sample (n = 52) | | |
|----------|-------------------------|----------------|-------|
| | \bar{X} | $\hat{\sigma}$ | V |
| 2 CDP | 10.75 | 5.56 | 51.74 |
| 3 PDP | 11.17 | 4.31 | 38.58 |
| 4 NPP | 9.81 | 6.73 | 68.65 |
| 5 PRP | 9.25 | 4.05 | 43.76 |
| 6 PMP | 12.62 | 6.16 | 48.84 |

Note : \bar{X} denotes mean
 $\hat{\sigma}$ denotes standard deviation, and
V denotes co-efficient of variation

5.3 Market oriented group (MO) compared with Job work Oriented group (JW) in terms of adoption of marketing practices

The first of the classifications taken up for analysis is the market oriented group and the job work oriented group. Table V-2 gives the following information* on the two groups.

* The same information for the different group classification is found in Tables V-3, V-4 and V-5.

- : the mean scores on each of the marketing practices,
- : the standard deviation on each of the marketing practices,
- : the co-efficient of variation (V), in other words, the variability on each of the marketing practices,
- : the mean score of the variable expressed as a percentage of maximum possible score that is allotted to each variable (for maximum scores allotted to each variable, the annexure on the scoring technique may be referred), and ,
- : the overall mean (i.e. the mean of the 5 marketing variables taken together).

In interpreting the data presented in Table V-2, the following may be stated. (It may also be noted here that for the sake of clarity the possible reasons for the better/poor performance of the groups is discussed under the different marketing variables i.e., 5.3 C).

- (a) Regarding the average scores which indicate the performance on the various marketing practices

Table V-2 : Comparison of MO-JW groups on different Marketing Practices

| Variable | MO Group (n = 34) | | | JW Group (n = 18) | | | X as % of maximum score | |
|--------------------|------------------------|----------------|-------|------------------------|----------------|-------|----------------------------|-------|
| | \bar{X} | $\hat{\sigma}$ | V | \bar{X} | $\hat{\sigma}$ | V | MO | JW |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 2 CDP | 12.18 | 5.25 | 43.15 | 8.06 | 5.24 | 65.06 | 55.35 | 36.62 |
| 3 PDP | 12.62 | 3.90 | 30.91 | 8.44 | 3.76 | 44.54 | 66.41 | 44.44 |
| 4 NPP | 11.44 | 6.54 | 57.18 | 6.72 | 6.12 | 91.10 | 35.75 | 19.14 |
| 5 PRP | 10.12 | 3.89 | 38.46 | 7.61 | 3.93 | 51.61 | 53.25 | 40.06 |
| 6 PMP | 14.71 | 6.35 | 43.15 | 8.67 | 3.24 | 37.34 | 52.52 | 30.95 |
| Overall average | 12.21 | -- | -- | 7.90 | - | - | 52.66 | 34.24 |

Note : \bar{X} denotes mean; $\hat{\sigma}$ denotes standard deviation
V denotes co-efficient of variation.

- (i) the MO group secured a higher average than the JW group on all the marketing variables;
 - (ii) not only are the average scores of the JW group lower than those of the MO group, they are lower than the performance of the entire sample (on all the marketing practices). Table V-1 may be referred for average scores on entire sample;
 - (iii) on all the marketing practices, the average of the MO group were higher than that of the entire sample.
- (b) Regarding the variability in the marketing practices, it is found that a fairly large heterogeneity exists in the practices of the two groups. It should be noted here that higher the value of 'V' the greater the heterogeneity (i.e. less the homogeneity).
- (i) In the market oriented group greater heterogeneity (i.e. maximum variability of 58%) is found in the marketing practice of new product decisions, and greater homogeneity (i.e. a minimum variability of 31%) is found in the practice of product decisions.

- (ii) In the job work oriented group, greater heterogeneity (a maximum variability of 91%) is found in the practice of new product practices, and, greater homogeneity (a minimum variability of 37%) is found in the practice of promotion decisions.
 - (iii) For both MO group and JW group, the maximum variability is found with respect to new product practices.
- (c) Regarding the performance of the two groups - MO and JW - on the different marketing practices, the following observations are made.
- (i) Variable 2 : Competitive and demand practices:
The mean score of MO group in this variable is 12.18, while that of the JW group is 8.06. This clearly indicates the better performance of the MO group on competitive and demand practices. In order to have an even clearer picture these average scores are converted to percentages on the maximum possible score of the variable.
(Refer column 8 and 9 of Table V-2). Here it is found that MO group secured 55% while the JW group secured 37% only.

In interpreting the performance of the two groups, it may be said that the performance of the MO group is average and that of the JW group is poor.

The possible reason for the poor performance of the JW group can be drawn from the criterion of the group classification. The factories of the JW group operate only when orders/contracts are in hand. The entrepreneurs of this group are busy rushing here and there to procure orders, hence they are unsystematic in gathering knowledge on competitors and their strategies.

(ii) Variable 3 : Product practices :

The mean score of MO group on this variable is 12.62 and that of JW group is 8.44. These scores when converted as percentages of maximum score of the variable read as 66% and 44% respectively. Thus the performance of the MO group may be said to be 'above average' and that of the JW group 'low'.

From these percentages, it may be surmised that the members of the MO group give considerable attention to product quality, customers requirements, etc. while taking decisions on the product.

The possible reasons for the low performance of the

job work group could be, at times, the entrepreneur in his anxiety to procure orders sometimes overlooks the fact that his machines may not lend themselves to the specifications of the product. Also, due to use of general purpose machines or worn out machinery the quality of the product may not be good.

(iii) Variable 4 : New product practices :

In practices relating to new product decisions, the MO group secured an average of 11.44, and, JW group secured an average of 6.72. These scores when converted as percentages of maximum score on the variable are 36% and 19% respectively. The performance of the MO group may be considered to be poor, while that of the JW group is very poor.

The innovation of products brings on the acceptance of the product life cycle. Any product has to go through 4 stages namely, introduction, growth, maturity and decline. Many small entrepreneurs find it difficult to accept the decline stage of the product life cycle.

Out of 34 members Belonging to the MO group only 21 (i.e. 61.76%) of them agree that every product has a decline stage. Yet, it is found that their

practices on introduction of new products is rather poor. In the job work oriented group 6 out of 18 members (i.e. 33.33%) accept the decline stage of the product. Thus it may be said that marketing practices regarding new product decisions are rather poor in the small scale sector.

The poor performance on aspects concerning 'product-idea-development', innovation, introduction and allied decisions on new products, could be due to lack of priority given to these aspects. Also, the facilities for development of new products are inadequate in the small sector.

(iv) variable 5 : Pricing decisions :

The MO group secured on average of 10.12 while that of JW group is 7.61. These when converted as percentages to the maximum possible score on the variable read as 53% and 40% respectively. The performance of the MO group may be said to be average and that of the JW group low.

Many products are becoming price competitive in the market. As the job work units function only against orders, it is difficult for the entrepreneur to

take a stand on pricing, his position tends to shift or sway as per the financial constraints in his unit. This may lead to unscientific adoption of pricing practices.

Another possible reason why the small entrepreneurs are unable to undertake market oriented pricing may be due to constraints imposed by cost and availability of raw materials, working capital requirements etc.

(v) Variable 6 : Promotion practices

The MO group secured an average of 14.71 as against 8.67 in the JW group. These when converted as percentages to maximum possible score read as 53% and 31% respectively. Thus the performance of the MO group may be considered to be average, while that the JW group may be said to be poor.

One oft quoted reason, is that the small entrepreneurs are unable to indulge in effective promotion strategies due to paucity of funds. The attitude of the job work entrepreneur is conditioned and moves in the direction of securing orders and he may not have any specific target market as his priority.

The promotional activity is possibly limited to commissions and discounts. only. At the time of survey it was found that members of the MO group involved in the manufacture of industrial products limited their promotional activities to advertising in industrial directories.

Having discussed the performance of the MO and JW groups on the different marketing practices, the discussion moves on to performance of the partnership and proprietary groups.

5.4 Partnership group (PT) compared with Proprietary (P) group in terms of adoption of marketing practices

The performance of the partnership group and proprietary group, on the different marketing practices are given in Table V-3. The following comparisons are drawn regarding the two groups.

- (a) Regarding the average scores, which indicate the performance of the PT and P group on the various marketing practices :
 - (i) The average scores of the partnership group are higher than those of the proprietary group in practices relating to

Table V-3 : Comparison of PT - P groups on different marketing practices

| Variable | PT group (n = 35) | | | P group (n = 17) | | | X̄ as % of maximum Score | |
|-----------------|----------------------|------|-------|---------------------|------|-------|--------------------------|-------|
| | X̄ | σ̂ | V | X̄ | σ̂ | V | PT | P |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 2 | 11.97 | 5.73 | 47.84 | 8.24 | 4.35 | 52.85 | 54.41 | 37.43 |
| CDE | | | | | | | | |
| 3 | 11.51 | 4.60 | 39.93 | 10.47 | 3.68 | 35.11 | 60.60 | 55.11 |
| PDP | | | | | | | | |
| 4 | 9.77 | 6.56 | 67.16 | 9.88 | 7.28 | 73.66 | 30.53 | 30.88 |
| NPP | | | | | | | | |
| 5 | 9.97 | 4.08 | 40.96 | 7.77 | 3.65 | 46.99 | 52.48 | 40.87 |
| PRP | | | | | | | | |
| 6 | 12.57 | 6.03 | 47.98 | 12.71 | 6.61 | 52.04 | 44.9 | 45.38 |
| PMP | | | | | | | | |
| Overall average | 11.16 | -- | -- | 9.81 | -- | -- | 48.58 | 41.93 |

Note : X̄ denotes mean; σ̂ denotes standard deviation; and V denotes co-efficient of variation

- competitive and demand decisions,
 - product decisions and,
 - pricing decisions
- (ii) The mean scores of the proprietary group are higher than those of the partnership group in practices relating to,
- new product decisions, and,
 - promotion decisions.
- (b) Regarding the variability in the marketing practices of the two groups :
- (i) In the partnership group, greater heterogeneity (i.e. a maximum variability of 67%) is found in marketing practices relating to new product decisions, and greater homogeneity (i.e. a minimum variability of 40%) is found in the practice of product decisions.
- (ii) In the proprietary group, greater heterogeneity (a maximum variability of 74%) is found in new product practices, and, greater homogeneity (a minimum variability of 36%) is found in the practice of product decisions.
- (iii) It needs to be noted that for both groups maximum variability is found in new product practices and minimum variability in product practices.

- (c) Regarding the performance of the two groups - PT and P - on the different marketing practices, the following observations are made :

(i) Variable 2 : Competitive and demand practices:

The mean score of PT group on this variable is 11.97, while that of the P group is 8.24. These averages when expressed as percentages to maximum possible score of the variable read as 54% and 37% respectively. Thus it may be stated that the performance of the PT group is average, while that of the P group is poor.

The probable reason why the entrepreneurs of the P group are unable to ascertain their competitive position in the market may be due to paucity of time. In proprietary form of organisation there can be no division of labour at the management level, more so, if it is a very small unit employing few workers.

The partnership group, inspite of having an added advantage over the P group, their performance on competitive and demand practices is average only. Probably the gains that may be realised in gathering information of competitors and their strategies, as also computing demand and market

share is not known to them, or if they do, they don't know how to go about it or don't indulge in this practice due to other constraints.

(ii) Variable 3 : Product practices :

The mean score of the PT group on this variable is 11.51 and that of P group is 8.24. These scores when expressed as percentages of maximum possible score of the variable read as 61% and 55% respectively. The performance on this variable is better than it is in the earlier variable. This is to say that members of both groups are giving greater priority to marketing practices relating to product decisions. It may be recalled here that the variability figures for both groups are very close (PT - 40%, and P-35%).

(iii) Variable 4 : new product practices :

In practices relating to new product decisions, the PT group secured an average of 9.77, and the P group secured an average of 9.88. These scores when expressed as percentages to the maximum possible score read as 31% and 31% respectively. It is very surprising to note that the performance of both groups are practically the same, inspite of the PT group having division of labour at the management level. The performance of both groups may be considered to be

poor. It is also found that both groups have greater heterogeneity in the practice of new product decisions. New product practices seem to be a 'weak area' for the small entrepreneurs. Probably one reason for it being so could be that the small entrepreneurs are not properly oriented on the importance, and introduction of new products.

(iv) Variable 5 : pricing practices :

The PT group secured an average of 9.97 and P group secured an average of 7.77 on the marketing variable, pricing practices. These scores expressed as percentage to the maximum possible score of the variable read as 52% and 41% respectively.

The performances of the PT group may be taken as average, while that of P group may be said to low. The average secured by the P group is lower than that of the average of the entire sample (Table V-1). It was found during the survey that many entrepreneurs preferred to go in for full-cost pricing. By far this was the only system of costing used by the small entrepreneurs. One tends to feel that these entrepreneurs are always anxious about sales, that, they do not want to take a chance by going in for any other system of pricing. Yet, another trend among the

small entrepreneurs is to follow the competitor. Sometimes this is done blindly without even working out the costs in their own firm.

(ii) Variable 6 : promotion practices :

The PT group secured an average score of 12.57 as against 12.71 of the P group. These scores expressed as percentages of the maximum possible score read as 45.0% and 45% respectively. These percentages may be said to represent low performance.

During the survey, it was found that a majority of the small entrepreneurs depended on their personal contacts to secure orders. A few enlightened entrepreneurs had friends (or any other) whom they referred to as 'contact man' who played the role of a salesman and collected his commission. By and large the small entrepreneurs were unwilling to spend on promotional activities, other than commissions, trade discounts etc.

The next set of groups taken up for discussion are the ASSI group and NASSI group.

5.5 Ancillary SSI group (ASSI) compared with Non-Ancillary SSI group (NASSI) in terms of adoption of marketing practices.

The performance of the ancillary SSI group and non-ancillary SSI group are given in table V-4. The

Table V-4 : Comparison of ASSI - NASSI groups on different marketing practices

| Variable | ASSI group (n = 23) | | | NASSI group (n = 29) | | | \bar{X} as % of maximum score | |
|--------------------|--------------------------|------------------|-------|---------------------------|------------------|-------|------------------------------------|-------|
| | \bar{X} | $\hat{\sigma}^2$ | V | \bar{X} | $\hat{\sigma}^2$ | V | ASSI | NASSI |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 2 CDP | 9.52 | 5.55 | 58.29 | 11.72 | 5.47 | 46.66 | 43.28 | 53.29 |
| 3 PDP | 10.61 | 4.38 | 41.26 | 11.62 | 4.28 | 36.83 | 55.84 | 61.16 |
| 4 NPP | 9.70 | 4.58 | 47.21 | 9.90 | 8.13 | 82.15 | 30.12 | 30.93 |
| 5 PRP | 8.91 | 4.07 | 45.63 | 9.52 | 4.09 | 42.92 | 46.91 | 50.09 |
| 6 PMP | 11.74 | 6.17 | 52.53 | 13.31 | 6.18 | 46.41 | 41.93 | 47.54 |
| Overall average | 10.10 | -- | -- | 11.21 | -- | -- | 43.62 | 48.60 |

following comparisons are drawn regarding the two groups.

(a) Regarding the average scores which indicate the performance on the various marketing practices, the following may be stated :

- (i) The NASSI group secured a higher average than the ASSI group on all the marketing variables.
- (ii) The average scores of ASSI group are lower than the average scores of the entire sample on all the marketing practices.
- (iii) The average scores of the NASSI group are higher than the average scores of the entire sample.

(b) Regarding the variability in the marketing practices of the two groups,

- (i) in the ASSI group, greater heterogeneity (a maximum variability of 58%) is found in the practice of competitive and demand decisions, and greater homogeneity (a minimum variability of 41%) is found in product practices.

- (ii) In the NASSI group, greater heterogeneity (a maximum variability of 82%) is found in new product practices, and greater homogeneity (a minimum variability of 37%) is found in product practices.
 - (iii) For both ASSI and NASSI groups minimum variability is found in product practices.
- (c) Regarding the performance of the two groups ASSI and NASSI - on the marketing practices the following observations are made.
- (i) Variable 2 : Competitive and demand practices :
The mean score of the ASSI group on competitive and demand practices is 9.52, and that of NASSI group is 11.72. These averages expressed as a percentage of the maximum possible score read as 43% and 53% respectively. The performance of the ASSI group in the variable may be said to be low, while that of the NASSI may be considered to be average.
- Members of the ASSI group, by virtue of they being ancillary units did not have to face severe competition on a day to day basis as the

NASSI group. That is to say, that ancillary units had to be on the look out for customers but once a contract/s for a certain period is signed, till the expiry of that period the unit may not face much marketing problems. So probably this was one reason why performance of the ASSI group in competitive and demand practices are low.

(ii) Variable 3 : product practices :

The ASSI group secured an average of 10.61 on this variable and NASSI group secured an average of 11.62. These average scores expressed as a percentage of maximum score of the variable read as 56% and 61% respectively. There is not much difference in the performanc of these two groups, also, the performance may be considered to be average.

(iii) Variable 4 : new product practices :

The average secured by ASSI group in new product practices is 9.70, while that of NASSI group is 9.90. These scores expressed as percentages to maximum score of the variable read as 30% and 31% respectively. The performance of both these groups are poor and also their level of performance may be considered to be the same. Thus far most of the groups under the different

classifications have performed rather poorly on new product practices. This indicates the lack of orientation of the small entrepreneurs on this aspect.

(iv) Variable 5 : pricing practices :

The ASSI group scored an average of 8.91 and NASSI group an average of 9.52. These scores expressed as percentages of the maximum possible score on the variable are 47% and 50%. Thus, it is seen that there is not much of a difference in the performance of the two groups on pricing practices.

(v) Variable 6 : promotion practices :

The mean score of the ASSI on promotion practices is 11.74 and that of NASSI group is 13.31. These mean scores expressed as percentages of maximum possible score of the variable are 42% and 48% respectively. The performance of both the groups may be considered to be rather low.

It cannot be said, that ancillary units need not indulge in promotion practices. In fact, their existence should be made known to all OE manufacturers/others who require the product manufactured by them. Thus effective and scientific promotion strategies does have a role to play in the marketing of ancillary units.

It goes without saying that NASSI units would do well to adopt the marketing concept in their promotion decisions.

The last of the groups to be compared here are the high capital intensive group and the low capital intensive group.

5.6 High Capital Intensive group (HCI) compared with Low Capital Intensive group (LCI) in terms of adoption of marketing practices.

The performance of the HCI group and LCI group in the different marketing practices are given in Table V-4. The following comparisons are drawn from the data given in the said table.

- (a) Regarding the average scores of the HCI and LCI groups on the different marketing variables, the following observations are made :
 - (i) Except in marketing practices relating to pricing decisions, the average scores of the HCI group are higher than LCI group in all other marketing variables.
 - (ii) The average scores of the HCI group are higher than the average scores of the entire sample

Table V-5 : Comparison of HCI - LCI Groups on different marketing practices

| Variables | HCI Group (n = 11) | | | | LCI Group (n = 41) | | | | X as % of max. score | |
|--------------------|-----------------------|----------------|-------|--|-----------------------|----------------|-------|--|-------------------------|-------|
| | \bar{X} | $\hat{\sigma}$ | V | | \bar{X} | $\hat{\sigma}$ | V | | HCI | LCI |
| 1 | 2 | 3 | 4 | | 5 | 6 | 7 | | 8 | 9 |
| ² CDP | 11.46 | 6.35 | 55.40 | | 10.56 | 5.40 | 51.17 | | 52.07 | 48.00 |
| ³ PDP | 13.27 | 4.36 | 32.86 | | 10.61 | 4.17 | 39.31 | | 69.86 | 55.84 |
| ⁴ NFP | 10.27 | 7.85 | 76.41 | | 9.68 | 6.51 | 67.19 | | 32.10 | 30.26 |
| ⁵ PRP | 8.82 | 4.51 | 51.18 | | 9.37 | 3.97 | 42.36 | | 46.41 | 49.29 |
| ⁶ FMP | 13.64 | 6.36 | 46.64 | | 12.34 | 6.16 | 49.90 | | 48.70 | 44.08 |
| Overall average | 11.49 | - | - | | 10.51 | - | - | | 49.83 | 45.49 |

on all marketing variables except pricing practices.

- (iii) The average scores of the LCI group are lower than that of the average scores of the entire sample on all marketing variables except in the practice of pricing decisions in which it is higher.

(b) Regarding the variability in the marketing practices of the two groups :

- (i) In the HCI group, greater heterogeneity (a maximum variability of 76%) is found in the practice of new product practices, and, greater homogeneity (a minimum variability of 33%) is to be found in the practice of product practices.
- (ii) In the LCI group, greater heterogeneity (a maximum variability of 67%) is found in the practice of new product practices, and greater homogeneity (a minimum variability of 39%) is found in the practice of product practices.
- (iii) Thus for both groups, there exists greater heterogeneity in new product practices and greater homogeneity in product practices.

- (c) Regarding the performance of the two groups - HCI and LCI - on the different marketing practices, the following observations are made.

(i) Variable 2 : competitive and demand practices :

The HCI group secured an average of 11.46 and LCI group an average of 10.56. These expressed as percentages on the maximum score of the variable are 52% and 48% respectively. These may be considered to be average/low performance. The level of performance in competitive and demand practices is not what it should be, considering the fact that the small scale sector has to not only compete with other small units but also large company's at times. The possible cause for such a situation could be the lack of awareness among small entrepreneurs as to the gains that can be reaped by indulging in market oriented practices in competitive and demand decisions.

(ii) Variable 3 : new product practices :

The mean score of HCI group on this variable is 13.27 and that of LCI group is 10.61. These mean scores expressed as percentages of maximum possible scores of the variable are 70% and 56% respectively. The mean score of the HCI group may be considered to

be good. This means that in small units that are capital intensive, adequate care is taken by the entrepreneurs to adhere to the marketing concept in their product practices. The performance of the LCI group on product practices may be said to be average.

(iii) Variable 4 : new product practices :

The mean score of the HCI group on this variable is 10.27 and that of the LCI group is 9.68. These scores expressed as percentages to maximum score of the variable read as 32% and 30% respectively. The level of performance of both groups are more or less identical and at the same time may be considered to be poor. It is found that small scale units are lacking in the adoption of the marketing concept with respect to innovation and introduction of new products.

(iv) Variable 5 : pricing practices :

The mean score of the HCI group on pricing practices is 8.82 and that of LCI group is 9.37. These mean scores expressed as percentages of maximum possible score on the variable are 46% and 49% respectively. There is not much difference

in the marketing practices of the two group with respect their pricing practices, which may also be considered to be low.

(v) Variable 6 : promotion decisions :

The mean score of the HCI group is 13.64 and that of the LCI group is 12.34. These scores expressed as percentages of the maximum possible score of the variable are 48% and 44% respectively. The level of performance of both groups is low and level of capital intensity does not seem to make any difference in greater adoption of the marketing concept in promotion decisions.

The above discussion was on the comparison of the various groups in respect of their marketing practices. An attempt is made to bring out the salient features of the comparisons in the following paragraphs.

5.7 Concluding remarks in Section I

The performance of the small entrepreneurs on the different marketing practices is summarised in the following paragraphs.

- (i) The performance of the small scale entrepreneurs on competitive and demand practices may be said to be average but tilting towards low performance.

The small entrepreneur can improve upon his competitive and demand practices by taking into account certain aspects, such as,

- knowledge of the competitors is a MUST,
- the entrepreneur must endeavour to create new customers,
- he must be able to recognise, who, where and why of his customers,
- competitive strategies may be used to penetrate substitute's gaps or penetrate directly the competitors position(s),
- also, he must anticipate the extent of the market, so that he may not have to face high inventory cost or loss of sales, etc.

- (ii) The performance of the small entrepreneurs on product practices ranges between average and good. This is the only variable where by and large most of the entrepreneurs have better performance (in comparison to other marketing practices). It goes without saying that every entrepreneur must know

the strengths and weaknesses of his product and must endeavour to match his product with the market.

- (iii) The performance of the small entrepreneurs on new product practices may be said to be poor.

At the time of survey, the investigator found that selection of products was based on a few factors, such as, experience gained in the manufacture of the same while working in a particular industry prior to setting up own small unit, advice of friends and relatives, and, ambition that arose out of watching friends/others making lot of money on a particular product. A few indicators that may be borne in mind while making product choice are :

- absolute market share,
- market concentration,
- trends in market size,
- trends in market share,
- trend in the price of the product,
- competitive trends,
- productivity (sales per employee),
- trend in material costs,
- capacity utilization, etc.

- (iv) The performance of the small entrepreneurs on pricing practices may be said to be low.

Often the so-called best pricing, from the view point of maximising profit may not be the best selling price for the product. Whether to fix higher prices or lower prices depends on the pricing criteria. To cite a few examples,

- when a firm goes in for little promotion the product may be low priced;
- when coverage is intensive, the product may be low priced;
- when turnover is fast, then the product may be low-priced, and, when it is slow it may be high priced;
- when the market is mature, the product may be low priced, and when new/declining it may be high priced, etc.

- (v) The performance of the small entrepreneurs on promotion practices may be considered to be low.

Promotion may be used to stimulate non-users, light users, and increase amount used on each use occasion. Promotion may also be used to innovate product differences.

Regarding the performance in the different groups the following is stated :

- (vi) The MO group secured an overall average of 53% in marketing practices, while the JW group secured 34%. The difference in the level of performance is 19%. Therefore, it may be said that the marketing practices of the MO group are definitely better than those of the JW group.
- (vii) The PT group secured an overall average of 49% in marketing practices and P group secured an average of 42%. The difference between the two means is 7%. Although the mean of PT group is higher than that of the P group, the difference may be considered to be marginal.
- (viii) The ASSI group secured an overall average of 44% in marketing practices and NASSI group an average of 49%. The mean of the NASSI group is higher than that of the ASSI group by 5%. The difference in the performance level of both groups may be said to be nominal.
- (ix) The HCI group secured an overall average of 50% in all marketing practices and that of the LCI group is 45%. The difference in the performance level is 5%, and this may be considered to be nominal.

SECTION - II5.8 Introduction

Discriminant analysis may be applied in testing whether significant differences exist among the average score profiles of two or more a priori defined groups. In the present study, the two groups in each classification are tested to see if significant differences exist in their various marketing practices. The different predictor variables used in the analysis are the same as those under step-wise regression analysis undertaken in the next chapter. The different predictor variables are the various marketing practices (CDP, PDP, NPP, PRP and PMP). Variable 1, namely sales, which is treated as criterion variable under regression analysis is treated as predictor variable in the present analysis. The first of the groups taken up for discussion are the MO and JW groups.

5.9 The Market Oriented and Job Work oriented groups differentiated on various marketing practices

The statistical technique and procedure for differentiating two groups has already been described under para 5.1 in section I above. The results of the tests are given in Table V-6, and the following

information pertaining to MO and JW group is found in the table.

- : the average sales of both the groups,
- : the mean scores on each of the marketing practices,
- : the value of t,
- : the value of P, and
- : the significance at the respective confidence level.* (The confidence limits are restricted to .05 and .01 levels only).

The interpreting the data presented in table V-6, the following observations are made.

(a) Significant variables :

The t value is found to be significant in all the marketing variables, namely,

- competitive and demand practices,
- product practices,
- new product practices,
- pricing practices, and
- promotion practices.

Thus the marketing practices of the MO and JW group are different from each other.

* The same information for the different groups classification are found in Tables V-7, V-8, and V-9.

Table V-6 : Differentiation of the MO - JW groups

| Variable | Mean Value | | t Value | P Value | Signifi- cance |
|--------------------------------|----------------|----------------|------------|------------|-------------------------|
| | MO (n = 34) | JW (n = 18) | | | |
| 1 (Sales) | 13.89 | 7.99 | 1.80 | .078 | Not Signi- ficant |
| ----- | | | | | |
| <u>Marketing Practices</u> | | | | | |
| 2 CDP | 12.18 | 8.06 | 2.69 | .010 | Significant P < .01 |
| ----- | | | | | |
| 3 PDP | 12.62 | 8.44 | 3.72 | .001 | Significant P < .01 |
| ----- | | | | | |
| 4 NPP | 11.44 | 6.72 | 2.53 | .015 | Significant P < .05 |
| ----- | | | | | |
| 5 PRP | 10.12 | 7.61 | 2.20 | .032 | Significant P < .05 |
| ----- | | | | | |
| 6 PMP | 14.71 | 8.67 | 4.54 | .001 | Significant P < .001 |

(b) Variables - not significant

The only variable whose *t* has proved to be insignificant is sales. The mean value of sales for the MO group is 13.89 lacs of rupees, while that of the JW group is 7.99 lacs of rupees. The difference between the two means is 5.90, yet the 't' result has proved that the two groups do not differ with respect to sales. The probable reason why this could be so, is that inspite of having a low performance on the different marketing practices, the entrepreneurs of the JW group are successful in securing and completing job work orders/contracts.

(c) Marketing variables

As all the marketing variables have turned out to be significant, each of them are taken up for discussion at a time and the differences in the practices of the two groups are brought out.

(i) Variable 2 : Competitive and demand practices:

The MO and JW groups differ in their competitive and demand practices at .01 level of significance, the difference in the average scores of the two groups is 18% (refer table V-2, 55% minus 37%), with the MO group performing better than the JW group.

A few of the marketing practices which come under the purview of competitive and demand decisions are described with reference to the two groups.

Computing and gathering information on competitors and competitor's strategies is of vital importance to the entrepreneur. If the entrepreneur is selling in the local market, then he ought to know who else is selling similar products in the same market. If the entrepreneur is selling in the non-local market, then it is imperative that he knows who he has to contend with. From the survey it was found that,

- : 50% (17) members of the MO group, and,
- : 22% (4) members of the JW group,

definitely know who are their competitors.

Information gathered on competitors can relate to several aspects. First, regarding present production of the competitors, the information is available with,

- : 24% (8) members of the MO group, and,
- : 28% (5) members of the JW group,

second, information on market share of each of the competitors is gathered by,

- : 35% (12) members of the MO group, and,
- : 22% (4) members of the JW group

Third, information on the promotional activities of the competitors is gathered by,

- : 47% (16) members of the MO group, and,
- : 22% (4) members of the JW group.

Fourth, information on the quality of the competitor's products is gathered by,

- : 79% (27) members of the MO group, and
- : 56% (10) members of the JW group.

Certain clarifications need to be made here, regarding the figures stated above. The percentages of the MO and JW group, on, 'who know their competitors' may not tally with other percentages regarding 'information on competitors'. This is because under 'knowing their competitors' only those members who had a complete list of their competitors were included. Other members, who had information on one or a few of their competitors were not included in these figures. This accounts for the higher percentages (in some cases) while discussing 'information on competitors'.

At this stage one may question that if the entrepreneur has so much knowledge about his competitors, then why should he have any problem? The reason for this may be found in the erratic/unscientific/improper way of collecting this information. Or, the entrepreneur may not be able to use this information effectively to his advantage.

Two other aspects described here pertain to estimation of demand. It is necessary for the entrepreneur to estimate total demand and his market share, so that his production can be streamlined such that he does not have to carry high inventory, nor face less sales. From the survey, it was found that,

- : 76% (26) members of the MO group, and
- : 44% (8) members of the JW group, try to estimate the total demand for the product(s) they manufacture.

Also, approximation of their market share was undertaken by,

- : 56% (19) members of the MO group, and
- : 28% (5) members of the JW group.

The clarifications offered on the gathering of information on competitors, in the foregoing paragraphs is valid here also.

(ii) Variable 3 : product practices :

The MO and JW groups differ in their product practices at .01 level of significance. The difference in the mean scores of the two groups is 22% (Table V-2), with the MO group performing better than the JW group.

Practices relating to product decisions are described below. The first aspect taken up is, the 'stages of the product-life-cycle'. The concept of

the product-life-cycle is important to the entrepreneur because he has to be ready with either product alternations or new products so that the same may be introduced when his product reaches the decline stage in the cycle. The problem arises because many small entrepreneurs do not accept all four stages of a product, namely, introduction, growth maturity and decline. From the survey, it was found that, only,

- : 62% (21) members of the MO group, and,
- : 33% (6) members of the JW group, accept all the 4 stages in a product-life-cycle.

A certain amount of business analysis is a must for every firm. In the present survey it was found that,

- : 71% (24) members of the MO group, and
 - : 61% (11) members of the JW group,
- calculate the 'sales' generated by each and every product they manufacture at the end of each year. It was also found that,

- : 68% (23) members of the MO group, and,
 - : 56% (10) members of the JW group,
- calculate the 'profit' generated by each product at the end of each accounting year.

(iii) variable 4 : new product practices :

The MO and JW groups differ in their new product practices at .05 level of significance. The difference in the mean scores of the two groups is 17% (Table V-2), with the MO group performing better than the JW group. But it may be recalled here, that the performance of the MO group was considered to be poor (Section I). Although during the survey, members of both groups have indicated indulging in certain practices regarding new product decisions, yet, their overall performance on the variable has been poor.

An entrepreneur needs to be prepared with new product(s), in the event of any of the existing product(s) not doing well for any reason whatsoever. Regarding the preparedness of the entrepreneur, it was found that,

- : 74% (25) members belonging to the MO group, and
- : 44% (8) members belonging to the JW group had expressed they had alternate plans for adding/deleting a product, if such an eventuality should arise.

The number of entrepreneurs who had approached formal research organisations or scientists to secure new products are to the extent of

: 21 % (7) in the MO group, and,

: 6 (1) in the JW group.

Entrepreneurs who carry out some type of research activity in their factory premises are to the extent of,

: 32% (11) in the MO group, and,

: 39% (7) in the JW group.

It needs to be noted here, that, research activity in the small industrial units is not along the lines found in large companies. To cite an example, the partner of an industrial unit engaged in the manufacture of 'industrial products', spent about 3 to 4 hours a day or as time permitted (mostly after office hours), trying to develop new models of the product. Another entrepreneur, engaged in the manufacture of chemicals, employed one person to carry out research tests on chemicals, within the factory premises.

Once the products are developed, and production initiated, an important decision that needs to be taken, is, the pricing of the product.

(iv) Variable 5 : pricing practices :

The MO and JW groups differ in their pricing practices at .05 level of significance. The difference in the mean scores of the two groups is

13% (Table V-2), with the MO group performing better than the JW group.

In the survey two types of costing were included. It was found that entrepreneurs who priced their products on the basis of marginal costing were,

- : 18% (6) from the MO group, and,
- : 17% (3) from the JW group.

Entrepreneurs who utilised the full-cost method of pricing were,

- : 76% (26) from the MO group, and,
- : 67% (12) from the JW group.

From the above figures it is evident that a greater percentage of small scale entrepreneurs preferred the method of full-costing to marginal costing, while fixing the prices on their new products.

Most entrepreneurs consider that recovery of costs, and making a profit is of prime importance, which need to be taken care of while fixing prices for their products. Two other aspects which are of equal importance in price fixation are 'demand intensity' and 'consumer psychology'. The results of the survey indicate that,

- : 56% (19) members of the MO group, and,
- : 50% (9) members of the JW group, do take into

consideration the demand intensity of the product during price fixation. The survey also brings out that,

- : 47% (16) members of the MO group, and
- : 56% (10) members of the JW group, take consumer psychology into consideration during price fixation.

Often an entrepreneur is unable to fix the price he desires due to many factors that cause restraint. A few of these were taken up in the survey, and the results of the same are as follows. Competitors and their strategies can be an important constraint in price fixation. Of the entrepreneurs who agree to the same,

- : 71% (24) belonged to the MO group, and,
- : 61% (11) belonged to the JW group.

It was found that,

- : 59% (20) members of the MO group, and
- : 72% (13) members of the JW group, felt that a considerable amount of constraint in price fixation was caused by suppliers of raw materials, (i.e., the cost of the raw materials may be high; due to shortage of raw materials, the same had to be bought in larger quantities and stocked for long periods; etc.)

Government regulations may in some cases protect the consumers and as such are a constraint in price fixation. Entrepreneurs

who experience this constraint were :

- : 53% (18) from the MO group, and,
- : 50% (9) from the JW group

The concept of 'break-even' has many utilities, such as, determining the probable unit cost at varying levels of production; comparing the probable operating profits of different enterprises at various levels of operation; it helps in comparing net sales, expenses and operating profits with a budget; it measures the effect of varying levels of sales secured at various levels of selling and manufacturing costs, etc. Of the entrepreneurs who are aware of the concept of break-even,

- : 79% (27) belong to the MO group, and,
- : 61% (11) belong to the JW group.

(v) Variable 6 : promotion practices :

The MO group and JW groups differ in their promotion practices at .001 level of significance. The difference in the mean scores of the two groups is 22% (Table V-2) with the MO group performing better than the JW group. The level of significance indicates that the two groups differ absolutely and widely in their marketing practices relating to promotion decisions.

This result could rightly be so, because the MO group has to appeal to the different market segments, while the target market for the JW group could be confined to certain targets only. Manufacturers of the MO group have to concentrate on traders, wholesalers, direct consumers, other industries, etc., as the case may be. But for the JW group, the task is more simplified in the sense, that, if the entrepreneurs are looking for governmental contracts then they have to approach those sitting in purchase departments. If the JW entrepreneurs are selling in the local market, then their target customers could be other original equipment manufacturers. It is also possible that some members of the JW group function as ancillary units.

Regarding promotion strategies, the importance of communication needs to be discussed. Communication performs many functions, such as giving information on product existence, description of the product features, boosting confidence level of different market segments, establishing of firm's/brand image, communicating satisfying offers to buyers, etc. Only a few entrepreneurs accept that all these functions are performed by communication. Of these,

- : 35% (12) belong to the MO group, and,
- : 11% (2) belong to the JW group.

The communication mix is inclusive of advertising, personal selling, sales promotion and publicity. From the survey it was found that,

- : 35% (12) members of the MO group, and,
- : nil % (0) of the JW group, are aware that these four aspects together represent communication.

Having dealt with the differences in the marketing practices of the MO and JW groups, the discussion moves on to partnership and proprietary groups.

5.10 The Partnership and Proprietary groups differentiated on various marketing practices

The relevant data pertaining to the PT and P groups can be found in Table V-7. In interpreting the data presented in the Table the following observations are made.

(a) Significant variables :

- (1) The first variable, namely, sales is found to be significant at .05 level of confidence. The mean sales of PT group is Rs. 14.27 lacs, and that of P group is Rs. 6.86 lacs. Thus the sales of the PT group are higher than that of P group

Table V-7 : Differentiation of PT - P groups

| Variable | Mean value | | t value | P value | Signi- ficance |
|----------------------------|--------------|-------------|------------|------------|------------------------|
| | PT (n=35) | P (n=17) | | | |
| 1 (Sales) | 14.27 | 6.86 | 2.43 | .019 | Significant P < .05 |
| <hr/> | | | | | |
| <u>Marketing Practices</u> | | | | | |
| 2 CDP | 11.97 | 8.24 | 2.37 | .022 | Significant P < .05 |
| <hr/> | | | | | |
| 3 PDP | 11.51 | 10.47 | 0.82 | .418 | Not Signifi- cant |
| <hr/> | | | | | |
| 4 NPP | 9.78 | 9.88 | 0.06 | .956 | Not Signi- ficant |
| <hr/> | | | | | |
| 5 PRP | 9.97 | 7.77 | 1.89 | .065 | Not Signi- ficant |
| <hr/> | | | | | |
| 6 PMP | 12.57 | 12.71 | 0.07 | .942 | Not Signi- ficant |

by Rs.7.41 lacs. It needs to be noted that sales average of the PT group is more than double that of the P group average. This means to say that the two groups significantly differ with respect to sales, with the PT group performing much better than the P group.

- (ii) The only marketing variable whose t value is found to be significant relates to marketing practices in the sphere of competitive and demand decisions.

(b) Variables - not significant :

Four marketing variables are not found to be significant. The first relates to product practices. The PT group secured a higher average than the P group by 6% (Table V-3). Yet, since the t value is insignificant the performance level of both groups with respect to product practices may be considered to be the same.

The second marketing variable whose t value is found insignificant relates to new product practices. Here it is found that both groups secure an average of 31% (Table V-3) which may also be considered to be poor.

The third marketing variable whose t value is found to be insignificant relates to pricing practices. Here the average of the PT group is higher than that of the P group by 11% (Table V-3), yet the level of performance in pricing practices for both groups may be considered to be the same.

The fourth marketing variable whose t value is found to be insignificant relates to promotion practices. Also, the mean scores expressed as percentages read as 45% for both groups (Table V-3).

(c) Marketing variables :

As indicated earlier, the only marketing practice that differentiates the two groups refers to competitive and demand practices. The t value is found to be significant at .05 level of confidence. Also, the mean of the PT group is higher than that of the P group by 17% (Table V-3). A few of the aspects on competitive and demand practices are taken up for discussion and are related to the partnership and proprietary groups.

Every entrepreneur ought to know his target market. That the target market comprise actual and potential users is known only to

- : 43% (15) members of the PT group, and,
- : 18% (3) members of the P group.

competition has become an important influence that the entrepreneurs need to contend with. Thus every entrepreneur needs to gather information on his competitors and their strategies. The information gathered under competitors is discussed under four aspects. From the survey, it is found that,

- : 29% (10) belong to the PT group, and,
- : 18% (3) belonging to the P group, gather information on the 'present production' of their competitors. Apart from this the entrepreneurs need to ascertain the market share of each of their competitors. This is done by
 - : 37% (13) members belonging to the PT group, and,
 - : 18% (3) members belonging to the P group.

Further, entrepreneurs have to find out the promotional activities of their competitors, so as to out-manoeuvre them. Information relating to promotional activities of the competitors is gathered by,

- : 46% (16) members belonging to the PT group, and,
- : 24% (4) members belonging to the P group.

Yet, another aspect of importance pertains to the quality of the products manufactured by the competitors, so that an entrepreneur may judge the weakness or strength of his own

product. It is found that,

: 74% (26) members of the PT group, and,

: 65% (11) members of the P group,

took note of the quality of the product manufactured by their competitors.

Whether entrepreneur sells in the local market or outside it, he should have an idea of the total demand for similar products in that particular market. This exercise was undertaken by,

: 71% (25) members belonging to the PT group, and,

: 59% (10) members belonging to the P group.

After estimating the total demand, it is necessary for the entrepreneur to find out how much of this forms his share.

From the survey, it is found that,

: 57% (20) members of the PT group, and

: 24% (4) members of the P group,

try to estimate their market share.

Although the PT and P groups differ significantly with respect to one marketing variable only, i.e., competitive and demand practices, yet they seem to differ significantly with respect to sales. Therefore, an attempt is made to ascertain the sales performance in both these groups. Table

V-8 describes the level of sales in both the PT and P groups.

Table V-8 : Sales performance in Partnership and Proprietary groups

| Level of Sales (Rs.lacs) | PT group (n = 35) | | P group (n = 17) | |
|-----------------------------|----------------------|--------|---------------------|--------|
| | Frequ- ency | % | Frequ- ency | % |
| 0 - 5 | 9 | 25.71 | 10 | 58.82 |
| 5 - 10 | 11 | 31.43 | 3 | 17.65 |
| 10 - 15 | 5 | 14.29 | 3 | 17.65 |
| 15 - 20 | 4 | 11.43 | 1 | 2.86 |
| 20 - 25 | 1 | 2.86 | - | - |
| 25 - 30 | 3 | 8.57 | - | - |
| - | - | - | - | - |
| 50 and above | 2 | 5.71 | - | - |
| | 35 | 100.00 | 17 | 100.00 |

The Above Table clearly brings out that the performance of PT group is better - only 26% of their members have sales below Rs.5 lacs., whereas 59% of members belonging to P group have sales below Rs. 5 lacs.

5.11 Ancillary SSI and Non-Ancillary SSI groups
differentiated on various marketing practices

The relevant data pertaining to the ASSI and NASSI groups can be found in table V-9. In interpreting the data presented in the table, the following observations are made.

- (i) The mean value of sales in NASSI group is higher than that of ASSI group, but since the t value is not found to be significant, this difference in mean values is not taken into consideration. Therefore, it may be said, that there is no difference in the level of sales in both groups.
- (ii) As regards marketing variables, from the Table, it is found that the average scores of the NASSI group are higher than those of the ASSI group, yet not a single t is found to be significant. This means to say, that, there is no difference in the level of practices of the two groups as regards the various marketing decisions.

The performance of the two groups on the different marketing practices and allied aspects have already been dealt with under section I, hence the same is not repeated here.

Table V-9 : Differentiation of ASSI - NASSI groups

| Variable | Mean value | | t Value | P Value | Signi- ficance |
|----------------------------|----------------|-----------------|------------|------------|----------------------|
| | ASSI (n=23) | NASSI (n=29) | | | |
| 1 (Sales) | 8.38 | 14.60 | 1.60 | .117 | Not Sig- nificant |
| <u>Marketing Practices</u> | | | | | |
| 2 CDP | 9.52 | 11.72 | 1.43 | .158 | Not Sig- nificant |
| 3 PDP | 10.61 | 11.62 | 0.84 | .406 | Not Sig- nificant |
| 4 NPP | 9.70 | 9.90 | 0.11 | .911 | Not Sig- nificant |
| 5 PRP | 8.91 | 9.52 | 0.53 | .598 | Not sig- nificant |
| 6 PMP | 11.74 | 13.31 | 0.91 | .366 | Not sig- nificant |

5.12 High capital intensive and Low capital intensive groups differentiated on various marketing practices

The last classification taken up for analysis here is based on capital intensity. An attempt is made to differentiate the HCI and LCI groups in terms of marketing practices. The relevant data are presented in Table V-10. In interpreting the data presented in the table, the following observations are made.

- (i) The mean value of sales for the HCI group is more than twice that of the LCI group, but since the value of t is not significant, the level of sales for both groups may be considered to be the same.
- (ii) In pricing practices, the LCI group has secured a higher average than the HCI group. But in all other marketing practices the mean scores of the HCI group are higher than those of the LCI group. Yet, since the t value is not significant on all the five marketing variables, these two groups cannot be differentiated on the basis of their marketing practices.

Table V-10 : Differentiation of HCI - LCI groups

| Variable | Mean value | | t Value | P Value | Signifi- ficance |
|--------------------------------|----------------|----------------|------------|------------|---------------------|
| | HCI (n =11) | LCI (n =41) | | | |
| 1 (Sales) | 21.27 | 9.32 | 1.46 | .175 | Not Significant |
| ----- | | | | | |
| <u>Marketing Practices</u> | | | | | |
| 2 CDP | 11.46 | 10.56 | 0.47 | .641 | Not Significant |
| ----- | | | | | |
| 3 PDP | 13.27 | 10.61 | 1.86 | .068 | Not Significant |
| ----- | | | | | |
| 4 NPP | 10.27 | 9.68 | 0.26 | .799 | Not Significant |
| ----- | | | | | |
| 5 PRP | 8.82 | 9.37 | 0.40 | .694 | Not Significant |
| ----- | | | | | |
| 6 PMP | 13.64 | 12.34 | 0.62 | .541 | Not Significant |

5.13 Concluding Remarks

The entire discussion in section I and section II of this chapter is concluded here.

- (i) The maximum adoption of the marketing concept is found in product practices. This is followed by competitive and demand practices. In respect of other practices, the adoption of the marketing concept has been either low or poor.
- (ii) The market oriented group was on the top in so far as the adoption of the marketing concept was concerned. All other groups were either low or poor in this respect.
- (iii) Of the four classification in this study the groups in each of the two classifications, namely, ASSI -NASSI and HCI-LCI, do not differ in terms of adoption of the marketing concept in marketing practices.

In the remaining two classifications, it is found that differences are significant in respect of adoption of the marketing concept in marketing practices. The MO-JW groups may be differentiated in the practice of competitive

and demand decisions, product decisions, new product decisions, pricing decisions and promotion decisions. The PT-P groups may be differentiated on the basis of their level of sales, and competitive and demand practices.

(iv) The exercise on differentiation of groups has brought to light two aspects that are of importance to small industry, namely,

- orientation of the industrial unit, and,
- form of ownership (organisation).

Regarding the first, market oriented is found conducive to better adoption of the marketing concept in marketing decisions. The second aspect indicates that partnership form of organisation is preferable, as it is conducive to higher sales.

In the next chapter, the technique of step-wise regression is used to ascertain the association between sales and marketing practices.

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