

Chapter VII

SUMMARY, IMPORTANT FINDINGS AND THEIR IMPLICATIONS

7.1. Summary of the study:

The marketing practices of the small scale entrepreneurs¹⁶ by and large an unmapped area, and the present study is an investigation on the same.

In the first chapter the role of marketing in the economic development of a country and its special relevance in small scale industry are discussed. Besides this, several aspects such as role of small scale industry in India, the arguments in favour of small enterprises, the growth of the small sector and Government policies regarding SSI units are discussed. Before concluding the chapter, the nature and scope and limitations of the study are also brought out.

The second chapter is devoted to a review of some studies on the small scale sector. The findings of selected studies are enumerated. A picture of the small scale industrial units spread throughout the country is presented as the several studies discussed have been undertaken in the different parts

of the country. The findings of all these studies indicate the presence of marketing problems. The GIDC had undertaken a survey of all its estates and the percentage of marketing problems in Makarpura Industrial Estate is highlighted vis-a-vis GIDC industrial estates (all put together). The extent of the marketing problem in the different industry groups of Makarpura estate is brought out. Besides this, an allied problem i.e. the extent of under-utilization of installed production capacity in Makarpura estate is pointed out. Further, a case for a study on the marketing practices of small scale industrial units is made out.

This is followed by a discussion on the Makarpura industrial estate itself from which the sample for the study was drawn. The different aspects covered here include, genesis of the estate, classification of the estate, composition of the industrial units in the estate etc. Also, physical, industrial and social infrastructure facilities that are available to the entrepreneurs are listed out. Also, the favourable and unfavourable aspects of this estate are brought out.

The plan and procedure of the study are enumerated in the chapter on methodology. At first, the statement of the problem, the research objectives and focus of research are

spelt out. The specific objectives of the study are:

- i) to ascertain the level of performance of the small scale entrepreneurs on the different marketing practices;
- ii) to ascertain the existence of relationship and extent of relationship between the performance variable-sales, and predictor variables - the different marketing practices, both for the entire sample and for sub-samples and
- iii) to differentiate the various sub-groups in respect of their marketing practices.

For the purpose of the study a questionnaire on the various marketing practices was developed and a system of scoring the responses was formulated. Two other aspects are dealt with in this chapter. First, the classification of respondent units was done into mutually exclusive groups for the purpose of study and analysis. The dichotomous groups are, market oriented-job work oriented groups; partnership-proprietary groups; ancillary SSI - non-ancillary SSI groups; and; high capital intensive - low capital intensive groups. Second, the different marketing variables on which the small entrepreneurs are examined relate to competitive and demand practices;

product practices; new product practices; pricing practices and promotion practices.

Chapter V is the first of the two chapters on analysis and interpretation of data. For comparing the different groups on their performance on the various marketing practices, simple statistical techniques such as, arithmetic mean, standard deviation and co-efficient of variation were applied.

The differentiation of the groups was undertaken by discriminating them on the various marketing practices, which involved grouped t tests, where first the F-test for equality of variances was determined.

Chapter VI attempts step-wise regression analysis . The entire sample was at first subject to regression analysis and the significant variables were drawn out. Next, regression was applied to each of the groups to ascertain the contribution of the significant marketing variables in explaining the variation in sales.

7.2 Findings and their implications:

Major conclusions reached in this study are presented in a tabular form and these are subsequently discussed in this chapter.

Table VII.1 : Major Findings:

Particulars	Significant results/findings
1. Marketing practices considered as a whole.	: The MO group conducive to marketing concept adoption.
2. Maximum adoption of marketing concept	: Product practices.
3. Minimum/least adoption of marketing concept	: New product practices.
4. Low/adoption of marketing concept	: Pricing practices.
5. Significant in explaining sales	: Competitive & demand practices. : Promotion practices.
6. Sales	: PT conducive to sales.
7. Groups	: CDP & PMP good in HCI : JW and P poor performers, : Practically no difference between: (a) ASSI-NASSI groups and (b) HCI-LCI groups.

Considering all the marketing practices together, from the survey it was found that the market oriented group is more conducive to marketing concept adoption in its various marketing decisions. This group secured the highest group average. This finding brings out the relevance of a small unit being market oriented and also the priority that needs to be given to customers over all other functional areas.

The maximum adoption of the marketing concept was found in respect of product practices. Also, greater homogeneity was found in decisions regarding product. The average scores of the groups indicate that most of them are average or good in the marketing variable relating to product decisions.

The least adoption of the marketing concept is found with respect to new product practices. It was also found that there was greater heterogeneity among the small entrepreneurs in the practices relating to new products. This implies that the small entrepreneurs do not adopt appropriate practices when they think of introducing new products in the market. It is quite probable that the small entrepreneurs may not know how to go about these aspects. This points out to the need for entrepreneurial

development and in this sphere government organisations can play an important role. Market information centres may be set up by Government agencies, where an entrepreneur can seek any information.

It has been found that marketing concept adoption in pricing practices has been relatively low. The government needs to encourage professional services regarding accounting to be set up in the industrial estates premises. The small entrepreneur's record of income and expenditure is rather inadequate. It may be said that the small entrepreneur is shrewd and knows his profits, but it has happened many times that out of the many products he manufactures only a few may be doing very badly but as the overall profits are good he never gets to know it. The entrepreneurs need to be trained and made aware of the gains that can be accrued from proper book-keeping and also from adopting other measures of pricing than full-cost pricing.

Marketing practices relating to competitive and demand decisions and promotion decisions have come out as the only two significant variables that contribute towards explaining the variation in sales. This implies that every entrepreneur should take care to adhere to the

marketing concept when he takes decisions regarding competition and demand and promotion practices. For by doing so he may improve the sales of his firm.

The only classification where sales turned out to be a significant differentiating factor is partnership-proprietary groups. From this, it may be said that partnership form of organisation is conducive to higher sales. Also in this classification one other marketing variable is significantly differentiated and that is competitive and demand practices.

The market-oriented group and job work oriented group differ significantly in all their marketing decisions. This means that there is a lot of differences in the way the entrepreneurs of both these groups function.

The poor performers are entrepreneurs of the job work and proprietary groups. The style of working of these entrepreneurs is not in conformity with the marketing concept.

In the high capital intensive group it is found that decisions relating to competition, demand and promotion are taken in greater adherence to the marketing concept, as the regression results prove that these two variables contribute a lot in explaining the variation in sales.

Finally, in the two classifications namely, ASSI-NASSI and HCI-LCI there is almost no difference in respect of marketing practices.

Before concluding this chapter, it seems worthwhile to briefly identify some related aspects/areas on which research needs to be undertaken.

7.3 Suggestions for further research:

Based on the findings of the survey, a few suggestions for further research are indicated. It may be worthwhile to undertake a study on any of the following:

- (i) Marketing concept adoption in the sphere of new product practices has been rather poor. Therefore an intensive study on new product practices beginning with product idea-generation upto say for a period of two years after its introduction in the market may be taken up.
- (ii) By and large, it was found that small entrepreneurs went in for full-cost pricing. It may be worthwhile to find out if any other system of pricing is prevalent among small entrepreneurs, if not, why. Is it because of their lack of awareness on the subject, or else what would be the reasons for the same?

- (iii) Investigation on the specific marketing practice of the small entrepreneurs regarding collection of information/data on competitors and demand analysis may be very revealing.
- (iv) A similar research may be conducted on the various industry code groups, so as to identify which of the marketing variables are of greater relevance in each category.