A detailed survey has been conducted in Meerut in order to analyse the different performance parameters (productivity, growth and employment etc.) of sports goods industry as well as perception of entrepreneurs on different issues. The survey has been carried out through primary data with the help of a structured questionnaire (Annexure-1) and the secondary data (old literatures, published articles and survey reports etc.).

Out of 1250 registered units a sample survey of 64 units has been conducted from the list of Sports Goods Manufacturing Association (SGMA), Sports Goods Export Promotion Council (SGEPC), Yellow Pages, internet and other sources. The major findings of research analysis are as under:

Meerut Sports Goods Cluster (MSGC) is benefited by its location (nearness to National Capital Delhi) and enjoys the better communication, marketing and transportation facilities. The cluster is spread in urban areas (82.5 percent industry), semi-urban areas (12.5 percent industry) and rural areas (5 percent industry), as referred in Table 4.1. The statistics are unenthusiastic because it shows the poor count of units situated in rural areas. This may be due to poor infrastructure and facilities in these areas which advances the undesirable migration of labour from villages to urban areas.

The bleak factor that retards the pace of sports goods cluster is the confusing ministerial structure as referred in section 3.6.2. Rather, government has made its sincere efforts to uplift the condition of the cluster as under:

- Established R&D and Testing Centers (refer section 4.4.3.1 [b]);
Established various industrial development corporations (refer section 3.5.1.1, 3.5.1.2 and 4.4.3.1[c]);
Formulated financial schemes and established channel institutions (refer section 4.4.3.1[d]);
Designed sales promotion schemes and policies (refer sections 3.5.1.2, 3.5.1.3, 4.4.3.2[a], 4.4.3.2[b], 4.4.3.2[c] and 4.4.3.2[d]);
Awards and honours for the outstanding performance of sports goods business houses (refer section 3.5.1.4 and 4.4.9) to motivate the SMEs.

Funds/capital can be considered to be the life line of any business. Banks (27.69 percent), government loans (24.62 percent) and government subsidiaries (26.15 percent) are said to be the most preferred choices of entrepreneurs as compare to borrow from friends or relatives (16.15 percent) or to arrange by them (5.38 percent), refer table 4.17. Still, many other entrepreneurs and household/cottage industry owners are not satisfied (refer Table 4.13). The points of dissatisfaction are:

- The corruption prevailing in the government departments (39.44 percent)
- Extensive documentation and other legal formalities related difficulties (38.03 percent)
- Personal approach (12.68 percent)
- Lack of awareness of schemes due to low education level of most of the micro/household industry owners (8.45 percent)

Any ways, if all the things go right the entrepreneurs prefer to get assistance for (refer Table 4.3):

- Raw Material (56.52 percent)
- Automation of their facilities or procurement of machines (39.13 percent)
- Marketing and sales promotion (4.35 percent)
It indicates that the financial condition of labour intensive sports goods cluster of Meerut is so disillusioned that it can not even arrange for the necessary raw material. Since most of the amount goes into this account hence the automation or mechanization of the units become a difficult task. As per Table 4.10, athletic equipments and sports wear are the only segments which are using mechanized manufacturing facilities followed by cricket bats and health equipments manufacturing. The machinery used in different manufacturing units is of basic/ obsolete version which can only produce sub standard quality and low production output.

A very miserable amount on sales and market promotion (refer Table 4.3) indicates the need of brand ‘India’ (refer section 4.5.5). Very few manufacturers are working in this direction such as Nelco, BDM, SS, SG and National etc. These brands are well known to the sports persons and sports associations around the globe.

As discussed above, very few manufacturers have succeeded in establishing their own brands but most of the micro/ house hold unit based manufacturers are selling their products to the domestic market of sub urban or rural areas due to substandard quality. It may be due to the inappropriate quality raw material (refer section 3.6.5) or the shoddy manufacturing facilities. Indigenous brand pioneers are equipped with improved manufacturing facilities and the only option left to import quality raw material from out side the country through different channels (refer Table 4.11) in order to maintain their quality level.

Automation is the need of hour but highly labour intensive sports goods segment provides the safe avenue for the skilled workforce and the weaker sections of the society (refer section 4.4.4) but at the cost of low
productivity (refer section 3.4). Child labour is also one of the dark side of this cluster (refer section 4.5.7 and Table 4.12). Different NGOs and government agencies are working in this direction to rehabilitate the children involved in manufacturing activities of different sports goods in the cluster. Availability of skilled labour in large extant tends to lower down their wages but on the other hand it generates the alternate way out to overcome from the dusk of global recession (refer section 3.8.10), which had already tolled the low employability and turnover (refer Table 4.16 and 4.21) in contrast to the national level figures (refer table 3.7). Being low labour cost and moderate quality most of the global giants focused on India, particularly Meerut, to outsource the sports goods and cater their substantial demand at low cost (refer section 4.7.6).

Weak linkages between Research and Development (R&D) and industry is the another major issue (refer section 3.6.3). The institutional research is not demand-driven and there is mismatch between institution's orientation towards basic research and industry's needs for new or improved products (refer section 4.5.4). It is the vital example of poor R&D in sports goods industry. The cluster is bound to produce only the conventional products rather than the products made of exotic material like composites and titanium which are in good demand in global market.

Meerut is the prime sports goods cluster supplying cricket bat to approximately 53 countries of the world but facing the raw material (Kashmir Willow) problem due to export restrictions imposed by Jammu and Kashmir Government (refer section 4.5.1). As per the latest regulation only semi-finished material can be procured from their, which unnecessarily increase the raw material cost (refer section 3.8.5). Some other factors as per Table 4.9 are:

- Ragged of raw material as it has to cover a long distance to reach to Meerut (47.37 percent)
• Inadequacy in availability of raw material (23.68 percent)
• Prices hike of raw material (13.61 percent)
• Time delay in availability of raw material (7.90 percent)
• Fluctuation in quality of raw material as it is the natural product (5.26 percent)

It shows that there are number of factors which affect the quality of the finished products, raw material is one of the potential factor.

In case of various incentive schemes, as referred Table 4.4, it has been reported that 76 percent manufacturing units have availed duty drawback where as 11 percent availed service tax refund facilities while other schemes are not much appreciated due to some difficulties prevail in availing them or unawareness by the entrepreneurs.

As said earlier, MSGC is labour intensive with low automation and productivity (refer Table 3.4); still it produces quality sports gears with in the limited resources (refer section 4.4.5) and most of the entrepreneurs, as per Table 4.14, expect the increase in demand (42.5 percent) as compare to those who expect decrease in demand (7.5 percent) also in the consecutive years. Some of the manufacturers are satisfied with the constant demand (30 percent) where as some complaint for the stagnation (20 percent). Skilled work force (refer Table 4.8) is one of the major factor in producing quality sports products and contributes to foreign exchange earning of approximately Rs. 125 crores per annum (refer Table 4.6).

Marketing through endorsements is one of the latest and the most successful phenomenon now days due to fast and approachable electronic and print media. As far as endorsement plans of Meerut based manufacturing units,
maintaining the big brands, are concerned the game plan of these companies is confined to the celebrity/ big players only (refer section 4.5.8). They don’t have any inclination towards budding players.

Employability is one of the important parameter of the development of any cluster. Rather, MSGC is labour intensive and having a salient skilled workforce, still over the past years the employability trend does not show the fervent picture (refer table 4.16). It may be due to the negative impact of global recession on the cluster. Still a fractional increment in employability figures may be anticipated as the buoyant force in the cluster (refer section 4.6.6).

Majority of units in MSGC belong to micro/ house hold segment and it has been seen that these units manufacture only the traditional products, which local/ suburban market demands. Some units, on contrary, took a chance of innovation (refer section 4.6.7) and their efforts had been admired globally. Rather, these units belong to small scale segment still their enthusiasm should be cherished. Innovations are always miraculous and flap out the new opportunities. This strive would defiantly wave through a long run and motivate the whole cluster to innovate and emphasis on research. The section also evolved cinema as the new media of promotion of sports goods as well as fitness equipments, which has been accepted globally as leisure time or recreational activity.

Meerut based sports goods possesses a place of prominence in global market due to its quality (refer table 3.5 and 3.6) but it may be short term if GST would be imposed to the manufacturing units. Also affinity of retailers toward low-priced and good looking Chinese and Pakistani products and quality oriented products of big brands (refer table 4.19 and 4.20) may
result in multidirectional adverse effects on MSGC. The multinational companies effort like anything to penetrate into the highly potential Indian market (refer section 3.8.4) by targeting the urbanized youth and the professionals (refer section 3.5.5).

The well-known local brands are facing the piracy problems. There are number of shadow/ house hold companies through out the cluster which are selling their products in the local as well as suburban markets by sticking the sticker of likely brands of the customer (refer section 4.7.3). It is because the market price of branded products is high due to the substantial quality. Local and suburban customer can not afford that much of high prices. Also, sports are not the career oriented rather leisure/fun time activity, hence quality least matters (refer section 3.5.6). The major cause behind this scenario is poor national sports policy (refer section 3.6.1) which results in the poor participation and potential revenue losses of the enterprise as well as the government.

The retailers/agents are said to be the back bone of any marketing activity as they sell the products on their face value. India is a rural background country. Most of the population resides in villages and suburban areas. Retailers are the only source of availability of these products. But quality (4 percent), price (2 percent), branding (5 percent) and advertising effect (7 percent) are no longer left as the only appealing factors (refer table 4.20) for these retailers. Some of the prominent factors that have been evolved in the recent marketing practices in these areas are credit (18 percent), rebate on purchase/ procurement (16 percent), long shelf life/ durability (15 percent), large choice/ variety (13 percent) and packaging (11 percent) etc.
India has organised number of mega events such as Indian Premier League, Common Wealth Games-2010 and ICC Cricket World Cup-2011 etc. Out of these events Common Wealth Games were not the good experience for MSGC. Not a single order had been extended to the cluster (refer section 4.7.7). It tolls not only the revenue but also the promotion chances of Indian companies at international level.

Poor quality checking facilities (refer section 4.7.8) of raw material as well as finished products are one of the major hurdles in export (refer table 3.9 and 3.10). It is due to the lack of attuned checking machines and the competent technical personnel (refer section 4.7.9).

The points mentioned above reflect that the low-confidence and dissatisfaction of the entrepreneurs is really a big challenge for MSGC. During field survey it is found (refer table 3.16 and 4.23) that 100 percent manufacturers are threatened by low cost Chinese products, 59.92 percent are depressed due to low returns on investments, 44.62 percent are anxious due to lack of finance (refer section 3.6.6) while other are due to low/ limited demand and inferior quality of sports goods in contrast to national level figures (refer table 3.11). The entrepreneurs also highlighted the miscellaneous factors (refer sections 3.6.7, 3.6.8, 3.6.9, 3.6.10, 3.8.3, 3.8.6, 3.8.7 and 3.8.8) for their miserable condition.

Different sections highlighted the government initiatives towards the welfare of sports goods cluster (refer section 3.7.8) still entrepreneurs are not very much hopeful due to red-tapism embedded in the government machinery.