Marketing Practices and Performances of Small Scale Pump Manufacturing units in Coimbatore, Tamil Nadu.

QUESTIONNAIRE

A. GENERAL DESCRIPTION OF THE UNIT

1. Name and address of the Unit :

2. Year of establishment :

3. Nature of Ownership :
   a) Sole Proprietorship
   b) Partnership
   c) Private Limited

4. Investment in Plant and Machinery :
   a) Up to 5 Lakhs
   b) 5 to 1 Lakhs
   c) 10 to 20 Lakhs
   d) 20 to 35 Lakhs
   e) 35 to 60 Lakhs
   f) More than 6 Lakhs

5. Types of products produced :
   [Specify all your products range]

6. Annual Installed Capacity :
   Quantity
   Value

   Present Level of Operation :
   a) Below 25%
   b) 25 to 50%
   c) 50 to 75%
   d) 75 to 100%

7. Is it registered with any Government Organization :
   Yes    No

   If yes, specify the organization :
1.8 Total Number of Personnel employed:

<table>
<thead>
<tr>
<th>Workers Category</th>
<th>No.</th>
<th>Working Time</th>
<th>Wages</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Skilled Workers</td>
<td>:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Trainees</td>
<td>:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Category</td>
<td>:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Managers</td>
<td>:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Executives</td>
<td>:</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(Specify their field)</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

1.9 Age of the entrepreneur or Working Partner:

a) 20 to 30 Years
b) 30 to 40 Years
c) 40 to 50 Years
d) 50 to 60 Years
e) Above 60 Years

1.10 Level of Education of the Entrepreneur / Working Partner:

a) School
b) Graduate
c) Post Graduate
d) Diploma Holder
e) Engineering
f) Any Other (specify)

1.11 Are you a member of any social/Industrial Association:

Yes No

If yes, Specify the name of the Association and the post

B. GENERAL

1. What were the factors responsible for starting the unit:

a) Own ambition to be Independent
b) Previous work experience
c) Education and Training in the field
d) Demand for the product in the market
e) Availability of finance
2. Have you conducted a market survey: Yes No
before starting the unit
If yes,
Name of the Agency
Cost :

3. Have you availed any training facilities during the last 5 years: Yes No
If yes, state the nature of Training and duration:

   a) Management
   b) Production
   c) Marketing
   d) Technical now-how

4. Have you send your workers for Training: Yes No
If yes, state the nature of training and duration:

II. MARKETING SYSTEM

2.1 What is your market area? (specify the area)
   a) In and around the district
   b) Throughout Tamil Nadu
   c) Other States
   d) Outside India (Please specify the places)

2.2 What are all the channels that you employ to distribute your products? (specify the intermediary agency)
   a) Direct marketing
      Sole selling agents
      Own retail shop
      Own sales branch
   b) Through Intermediary Dealers
      Distributors
   c) Both direct marketing and intermediary

2.2.1 Out of the above which do you prefer most?
2.2.2 How did you select your channel:
   a) Limited size of the business
   b) More Profit
   c) Direct contact
   d) Easy Payment
   e) Wide market Coverage
   f) Ready Market
   g) Avoidance of risk

2.2.3 Are you satisfied with your present channel of distribution?:
   Yes   No

2.2.4 If no mention the reasons?
   a) High selling commission
   b) Lack of finance
   c) Any other (specify)

2.2.5 Who looks after your marketing function?
   a) Owner
   b) Working partner
   c) Manager

2.3 Who are the consumers of your products?
   a) Large Scale Industries
   b) Direct consumers
      Agricultural sector
      Domestic sector
   c) Small scale Industries
   d) Government Organizations

2.4. Please specify the standards followed by you in your production process?
   a) Own
   b) ISI
   c) Buyers

2.5 Have you got the facility of testing your products before sale?
   Yes   No
   If yes, state the facility of testing:
   a) Own quality control methods
   b) Using the Testing laboratories
2.6 Please rank the area of marketing according to your sales performance:

<table>
<thead>
<tr>
<th>Market Area</th>
<th>No. of Units giving the following ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>In and around the district</td>
<td></td>
</tr>
<tr>
<td>Throughout Tamil Nadu</td>
<td></td>
</tr>
<tr>
<td>Other States</td>
<td></td>
</tr>
<tr>
<td>Outside India</td>
<td></td>
</tr>
</tbody>
</table>

2.7 Whether the share of your product has gone down in the market? Yes No

If No, skip questions 2.7.1 to 2.7.4

2.7.1 If Yes, please state the percentage that has gone down:
   a) 10%  b) 20%  c) 30%  d) 40%  e) 50%  f) More than 50%

2.7.2 Please state the reasons for decline:
   a) Change in technological development
   b) Quality Competition
   c) Price Competition
   d) Change in Consumption pattern
   e) Any other reasons (specify)

2.7.3 Have you adopted any business strategy to overcome this problem? Yes No
2.7.4 If, Yes what strategy you have adopted

a) Improvement in the existing product
b) Adding new products to one product line
c) Discovery of potential market
d) New uses of the product

2.7.5 If No, (to question No.2.7) Have you increased the market share of your product?

a) Increased
b) Maintained at the same level

2.7.6 If increased, at what percentage:

a) 10%  b) 20%
c) 30%  d) Above 30%

2.7.7 Please specify the reason behind the increase in market share

a) Wide market coverage
b) Sales promotional strategies
c) Products have been modified
d) Consumption pattern
e) Any other (specify)

2.8 Please give your sales and profit figures for the last five years

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td></td>
<td></td>
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<tr>
<td>1992</td>
<td></td>
<td></td>
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<tr>
<td>1993</td>
<td></td>
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</tbody>
</table>
III. MARKETING COST AND RETURNS

3.1 Please give your ex-factory prices for various items that you manufacture? (price list)

<table>
<thead>
<tr>
<th>Type of Product</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
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<tr>
<td>2.</td>
<td></td>
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<tr>
<td>3.</td>
<td></td>
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<tr>
<td>4.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
</tr>
</tbody>
</table>

3.2 Do you sell your product:

a) at contract price
b) at market price
c) at price fixed by the Government

3.3 What is your terms of selling:

a) Cash
b) Credit
c) Both cash and credit

3.4 What is the approximate time-lag in getting payment for the sales made?

a) upto 15 days
b) 16 to 30 days
c) 31 to 45 days
d) 46 to 60 days
e) 41 to 90 days
f) 91 to 120 days
g) Above 120 days
3.5 Marketing cost during the last five years
---------------------------------------------
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Packing</td>
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<tr>
<td>2. Loading and transportaiton</td>
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<tr>
<td>3. Advertisement</td>
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<tr>
<td>4. Selling Commission</td>
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<td></td>
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<tr>
<td>5. Rent on retail shop</td>
<td></td>
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<tr>
<td>6. Interest on marketing loan</td>
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<tr>
<td>7. Any other</td>
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<td></td>
</tr>
</tbody>
</table>

3.6 Please give your investment in Fixed Capital:
---------------------------------------------
<table>
<thead>
<tr>
<th>Item</th>
<th>Year of Installation</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Accumulated depreciation</th>
<th>Annual Rental Value if let on lease</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2. Building</td>
<td></td>
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<td></td>
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<tr>
<td>3. Machinery and equipment</td>
<td></td>
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<tr>
<td>4. Vehicles</td>
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<tr>
<td>5. Tools</td>
<td></td>
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<td></td>
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<tr>
<td>6. Furniture</td>
<td></td>
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<td></td>
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<tr>
<td>7. Other fixed assets</td>
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<td></td>
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</tr>
<tr>
<td>Total</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Gross fixed assets
Less: Accumulated depreciation:

Net Fixed Assets

3.7 Please give your working capital requirements

<table>
<thead>
<tr>
<th>Items</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Investment</td>
<td></td>
</tr>
<tr>
<td>2. Raw materials</td>
<td></td>
</tr>
<tr>
<td>3. Power and fuels</td>
<td></td>
</tr>
<tr>
<td>4. Stationery and stores</td>
<td></td>
</tr>
<tr>
<td>5. Semi finished products</td>
<td></td>
</tr>
<tr>
<td>6. Finished products and by products</td>
<td></td>
</tr>
<tr>
<td>7. Cash in hand</td>
<td></td>
</tr>
<tr>
<td>8. Cash at bank</td>
<td></td>
</tr>
<tr>
<td>9. Any Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

3.8 What are the sources of working capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Borrowing from banks</td>
<td></td>
</tr>
<tr>
<td>2. Ploughed earnings</td>
<td></td>
</tr>
<tr>
<td>3. Friends and relatives</td>
<td></td>
</tr>
<tr>
<td>4. Money lenders</td>
<td></td>
</tr>
<tr>
<td>5. Any Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>
3.9 Please state the liabilities of your unit

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Paid up capital</td>
<td></td>
</tr>
<tr>
<td>2. Reserves</td>
<td></td>
</tr>
<tr>
<td>3. Medium and long term loans</td>
<td></td>
</tr>
<tr>
<td>a. Commercial Banks</td>
<td></td>
</tr>
<tr>
<td>b. Development Agencies</td>
<td></td>
</tr>
<tr>
<td>c. State Finance Corporation</td>
<td></td>
</tr>
<tr>
<td>d. Others (specify)</td>
<td></td>
</tr>
<tr>
<td>4. Short term loans</td>
<td></td>
</tr>
<tr>
<td>a. Commercial Banks</td>
<td></td>
</tr>
<tr>
<td>b. Friends and relatives</td>
<td></td>
</tr>
<tr>
<td>c. Lending Institutions</td>
<td></td>
</tr>
<tr>
<td>d. Others (specify)</td>
<td></td>
</tr>
</tbody>
</table>

4. Please furnish the following details

A. Income

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td></td>
</tr>
<tr>
<td>Stock of finished or semi finished products</td>
<td></td>
</tr>
<tr>
<td>Any Other (specify)</td>
<td></td>
</tr>
</tbody>
</table>
B. Expenditures

1. Raw materials

2. Water, fuel, power etc.

3. Amount paid to other concerns for work done

4. Total Depreciation

5. Rent
   a. Land and building
   b. Plant and machinery
   c. Any other (specify)

6. Wages and salaries
   a. Employees
   b. Management remuneration or partners' salary
   c. Any other (specify)

7. Interest
   a. Long term loans
   b. Short term loans

8. Total Expenditure

9. Gross Profit

10. Less: Tax

11. Net profit

C. State the initial size of the unit in terms of:
   a) Investment
   b) Sales
   c) Profit
   d) Capacity utilisation
   e) Employment
   f) Installed Capacity
5. PROBLEMS

5.1 Finance

1. Have you contacted the following agencies for your financial requirements?

   a. Nationalized Banks  
   b. TIIC  
   c. SIDCO  
   d. DIC  
   e. SIPCOT  
   f. Any other (specify)

2. Are you satisfied with the assistance rendered by the various agencies?

   a) Yes  
   b) No (specify reasons)

3. What are the average unutilized capacity of your unit in the last three years?

<table>
<thead>
<tr>
<th>Percentage of idle capacity</th>
<th>Average %</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Less than 25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. 25 to 50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. 50 to 75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Above 75</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. What are the reasons for under utilization of capacity (specify at least 4 in order of preference)

<table>
<thead>
<tr>
<th>Reasons for under utilization</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Slackness in demand</td>
<td></td>
</tr>
<tr>
<td>2. Lack of raw materials</td>
<td></td>
</tr>
<tr>
<td>3. Mechanical break-down</td>
<td></td>
</tr>
<tr>
<td>4. Power scarcity</td>
<td></td>
</tr>
</tbody>
</table>
5. Want of skilled workers  
6. Lack of finance  
7. Any other (specify)  

5.2 Raw materials  
1. State the name of the raw material required by you  
2. Please state the purchase pattern of raw materials  
   a) Open market  
   b) Supplied by other units  
   c) Quota  
   d) Supplied by development agencies such as SIDCO, DIC, SIPCOT, etc.  
   e) Both open market and quota  
3. At times of scarcity of raw materials, what arrangements that you have made to get the required materials?  
   a. Contact other supplies  
   b. Advance purchase  
   c. Utilize other raw materials  
   d. Any other  
4. Please rank the problems associated with raw materials?  

<table>
<thead>
<tr>
<th>Problems in getting raw materials</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>High price</td>
<td>1</td>
</tr>
<tr>
<td>2. Scarcity</td>
<td></td>
</tr>
<tr>
<td>3. Transport</td>
<td></td>
</tr>
<tr>
<td>4. Low Quality</td>
<td></td>
</tr>
<tr>
<td>5. Imported raw materials</td>
<td></td>
</tr>
<tr>
<td>6. Quota insufficient</td>
<td></td>
</tr>
<tr>
<td>7. Any other (specify)</td>
<td></td>
</tr>
</tbody>
</table>

5. Is the Raw material subject to  
   a) Price fluctuation  
   b) Seasonal availability  
   c) Scarcity
6. Whether the machinery used are
   a) Old model  1. Own Machinery
   b) Modern    2. Leased

7. Whether jobs are completed in : Yes No
   time?

8. Whether production or sales : Yes No
   affected in any year?

   If yes, give reasons
   a) Raw material scarcity
   b) Power cut
   c) Breakdown of machinery
   d) Lack of finance
   e) Lack of marketing
   f) Lack of working capital

5.3 Distribution

   Effectiveness of actual distribution syste:

1. Do you think that your present channel of distribution is
   a) Very effective
   b) Effective
   c) Less effective

2. Do your distribution policies subject to annual or periodic review
   a) Annual review
   b) Periodic review
   c) Others
3. Before appointing distributors have you ascertained that

<table>
<thead>
<tr>
<th>Item</th>
<th>Yes</th>
<th>No</th>
<th>Partially</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Area of operation is clearly defined</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Sales targets are set</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) If targets are not set the contract is probationary, and will be confirmed subject to results</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

4. After appointment of distributors do you

   a) Set up communication procedures to ensure prompt attention to enquiries / servicing / complaints

   b) Provide adequate training to the distributors personnel

   c) Immediately inform them of additions or modifications of the range of products

5. Do you agree that distributors usually require more motivation than your own marketing personnel?

   a) Yes  b) No  c) Partially

5.4 Competition

1. What specific advantage do the main competitors have?

   a) Geographical
   b) Commercial
   c) Liaisons
   d) Industrial size
   e) Protection
      Official / Unofficial
   f) Related products

2. Whether your marketing cost expressed as a percentage of turnover?

   a) Increasing  b) Static  c) Decreasing
2.1 If increasing or decreasing have you taken action to reduce it?
   a) Yes  b) No  c) Action to be taken

3. Are you getting any tax benefits like
   a) Exemption of excise duty
   b) Sales tax exemption
   c) Any other (specify)

4. Is there any Government regulation: a) Yes  b) No
   on your industry in marketing?

5. Are you affected by power cut? : a) Yes  b) No

6. If yes, how did you overcome it?
   a) by using generator
   b) production - shift system
   c) Any other (specify)

5 Sales Promotion

1. What are the sales promotion techniques that you employ in your units
   a) Cash discount
   b) Credit facility
   c) After sales service
   d) Using trained sales personnel
   e) Any other (specify)

2. Do you advertise your product: a) Yes  No
   b) Regular  Occasional

3. Media of advertisement
   a) Local Newspapers
   b) Trade Journals
   c) Yellow Pages
   d) Radio
   e) Television
   f) Hoardings
   g) Cinema slides
4. In case of occasional advertisement specify the media
   a) Souvenirs prepared by trade associations
   b) Free gifts to customers
   c) Any other (specify)

6 Finance and Problems

Please rank the problems that you face?
   a) Shortage of working capital : 
   b) Shortage of income for fixed assets : 
   c) Hostile attitude of Government Agencies : 
   d) Inadequate assistance from Commercial banks : 
   e) Inadequate assistance from financial institutions : 
   f) Any other

5.7 Marketing Problems

Please rank the problems that you face?
   a) Competition from large scale units : 
   b) Competition from small scale units : 
   c) Slackness in demand : 
   d) Price control : 
   e) Transport Problems : 
   f) Competition with established brand : 
   g) Others : 

5.8 Labour Problems

a) Absenteeism : 
   b) Low Turn Over : 
   c) High wage rates : 
   d) Frequent work stoppages : 
   e) Training Cost : 
   f) Unionization : 
   g) Others (specify) : 


5.9 Problems Of Technology And Management

a) Non-availability of skilled workmen
b) Non-availability of professional managers
c) Ineffective consultancy service provided by Government agencies
d) Inaccess to new technology
e) Others

5.10 How will you solve your problems

a) Taking self decisions
b) Consulting with the association of industries
c) Interaction with Government officials
d) Through consultants

6. Future plan for expansion

1. Do you have any future plan of expansion
   a. Yes       b. No

   If yes, specify in what form
   a) By starting new unit
   b) By improving the design or layout
   c) By reducing new product
   d) Installation of new machinery
   e) Making change in the marketing procedure
   f) By following new methods of production
   g) Any other form of change (specify)

2. What are the reasons to undertake such change?
   a) Competition
   b) Low profit
   c) To raise the earnings
   d) High rate of tax
   e) Any other (specify)
3. What is the evaluation by yourself of the effectiveness by introducing some changes in the future?
   a) Not useful
   b) Useful
   c) Much useful

4. In your opinion the success of your unit and growth over these period can be traced to
   a) Choosing the right type of industry from the beginning
   b) Understanding of the market and the ability of adopting to its needs
   c) Ability to provide necessary financial resources when required
   d) Technical supremacy in relation to competitors.