CHAPTER VI

SUMMARY OF THE FINDINGS,
SUGGESTIONS AND CONCLUSIONS
A summary of the discussions and major findings presented in the preceding chapters is given in this chapter. The present study, as has been pointed earlier, was undertaken to study the Marketing Problems and Prospects of Small Scale Sector in Dakshina Kannada and Udupi Districts in coastal Karnataka. The specific objectives that were addressed by the study are:

a) To examine the marketing problems faced by small scale units in the Dakshina Kannada and Udupi districts.

b) To examine the various dimensions of marketing problems faced by small scale units and also to know their impact on the units.

c) To identify the marketing prospects for the units in small scale sector based on the empirical evidences.

The small scale units covered under this study were the units registered under the District Industries Centre, Dakshina Kannada District. There are totally 15,274 registered small scale units in these two coastal districts as per the 'Directory of Industry' brought by District Industries Centre. Of these 9,642 operating units are spread in Dakshina Kannada district and 5,632 units in Udupi district area. These units belong to different industry groups. These units are classified in to 14 broad categories based on the nature of the products they manufacture. From each category 5 percent (764 units) of the units were chosen on convenience basis as sample for a detailed study. Of the 764 sample units chosen for the study, 264 units were found closed and thus the analysis made in the study pertains only to 500 sample units. The study was carried out for a period of 5 years from 1994 – 95 to 1998-99. The important observations and findings of the study are given in the following paragraphs.
1. Significance of the Small Scale Sector:

In a developing economy like India the small scale industries occupy a prominent position since they are capital surplus and labour intensive in nature. These industries have stemmed and grown out of India’s own skill, resources, enterprise and culture and thus, occupy a proud place in the industrial economy of the country. The significant role that this sector plays in the development strategy of the country’s economy can be attributed to the substantial contribution that this sector has been making towards industrial growth in terms of production, employment and exports. This sector now produces more than 7,500 products and has emerged as a major supplier of a large number of mass consumption items. A number of assistance and incentives like technical support, credit assistance, protection through reservation of products, fiscal concessions, infrastructural support, price and purchase preference are offered by the Government for the development of small scale sector. Further, with a view to meet the requirements of the rapidly expanding Small Scale Sector in the country, the government also gave adequate institutional support and it may well claim to have achieved some success in this sphere. As a consequence of the official encouragement, the small scale industry in the country has registered a phenomenal progress. The total number of small scale industrial units exceeded 32.25 lakhs as at the end of 1999 – 2000. However, on the quality side the performance of many of these units leaves much to be desired.

2. Imbalance in the growth in the area of study:

In the study area of Dakshina Kannada and Udupi districts, we have observed heavy concentration of units in two taluks viz. Mangalore of Dakshina Kannada and Udupi of Udupi districts. Around 53.13 percent of the units are located in these two taluks. We have also observed that inspite of vast resources and potentialities available, these districts have remained industrially backward. It
requires adequate policy measures and support of the government to develop this region industrially by tapping available resources and potentialities.

3. A conceptual study of the Marketing problems of SSIs:

We have observed that marketing includes the various activities like assessment of demand, study of competition, government regulations, behaviour of present and potential consumers and activities connected with marketing mix. Marketing being the philosophy of business has become vital to the success of business units. Further, in the context of marketing problems confronted by small scale units, the application of marketing mix viz. product policy, pricing, distribution and promotion assumes special importance. Besides, the SSIs are confronted by both external and internal problems like infrastructural bottlenecks, non-availability of scarce critical raw materials, power shortage, natural calamities, inadequate technical know how, obsolete machinery, poor sales promotional techniques and unimpressive brands and packaging. It is also observed that the empirical evidences prove that SSIs are affected by number of marketing problems such as shortage of raw materials and labour, acute competition from both small scale units and large scale units, slow credit recoveries, poor marketing mix, lack of update market information, lack of quality control, ignorance of potential market and inadequate marketing finance.

4. Profile of the sample units and entrepreneurs:

a) It is found that there is geographical concentration of small scale units in a few taluks and that there is uneven dispersal of small scale units, both inter taluk as well as inter-category, in the districts.

b) In the case of majority of the units (79.2 percent), native place of the entrepreneurs, busy locality, economical rent of the land and buildings and
availability of infrastructural facilities are the prominent reasons for the establishment of the units in the present place.

c) In the case of majority of the sample units (60.4 percent), the sources of idea for starting the units are the entrepreneurs themselves.

d) Entrepreneurs of majority of the sample units (66.8 percent) have set up their units in order to make economic gain and were motivated by the success story of other entrepreneurs.

e) Majority of the units (69 percent) were set up as independent own units by the entrepreneurs themselves. This clearly shows that while setting up the units, the entrepreneurs were governed by their own individual decisions.

f) Majority of the sample units (69.2 percent) were established only after 1981 and hence, are one to two decades old. Thus, it is interesting to observe that majority of the sample units come into existence during eighties and have flourished in the districts during nineties.

g) 76.8 percent of the units are sole trading or proprietary concerns. Only 7.8 percent of the units are partnership concerns. Thus, sole proprietary pattern of organisation is more common in case of small scale units.

h) 51.19 percent of the entrepreneurs belong to the middle age group ranging between 35 and 45 years. Surprisingly, only 16.89 percent of the entrepreneurs are youngsters who are below 35 years of age and are not ready to shoulder responsibility and risk.

i) Out of the total 586 entrepreneurs in 500 sample units, majority of the entrepreneurs (90.95 percent) are male entrepreneurs whereas only 53 (9.05 percent) are female entrepreneurs. Though at present lot of emphasis is laid on women entrepreneurial development, training to women entrepreneurs,
subsidies, concessional assistance and encouragement to women entrepreneurs, the number of women who have come forward to take up commercial / industrial ventures is not at all encouraging.

j) 64.3 percent and 55.29 percent of the entrepreneurs belong to Hindu religion and forward castes like Brahmins, Gowda Saraswath Brahmins, Bunts respectively and thus they dominate the ownership of the sample units. Majority of them (55.3 percent) have either secondary level of education or graduation as their qualification.

k) Majority of the entrepreneurs (59.20 percent) have entered the present line of activity without adequate previous experience in the field. Further, entrepreneurs of a significant majority of the sample units (74.4 percent) have selected their product mainly to suit to the domestic demand and based on the availability of raw materials.

5. Commercial Banks – Major source of finance:

The study revealed that commercial banks are the major sources of finance to the sample units. In the case of large number of units (56.8 percent), commercial banks have been the main source of finance to meet their fixed capital and working capital requirements. Among the banks which have financed the units, Syndicate Bank and Canara Bank have taken the lead. Besides, Karnataka Financial Corporation (KSFC) is the leading financial institution that has provided long term finance to the units.

6. Capital structure of the Sample Units :

a) It was observed that entrepreneurs of majority of the sample units (58 percent) depend upon their own fund up to Rs. 5 lakhs for the purpose of capital. This shows that they depend more upon borrowed fund for the purpose of capital. It
is interesting to note that entrepreneurs of very few units (3.2 percent) are able to invest their own fund over Rs. 15 lakhs.

b) Entrepreneurs of a significant majority of the units (75.4 percent) rely upon borrowed funds for acquisition of fixed assets mostly financed by commercial banks since it is easy to obtain institutional credit against the security of fixed assets. Further in the case of entrepreneurs of as many as 53.4 percent of the units the investment in fixed assets is found to be less than Rs. 20 lakhs. This shows that majority of the units do not have strong financial base.

7. Pattern of Investment in Fixed Assets:
Out of 462 sample units which have invested in their own plant and machinery, a majority of them (56.2 percent) have got an investment in plant and machinery of less than Rs. 20 lakhs. Further, out of 438 sample units which have invested in their own land and building, a majority of them (54.2 percent) reported to have made investment in land and building of less than Rs. 20 lakhs. The study also revealed that 52.2 percent of the sample units have invested in their own furniture and fixtures up to Rs. 5 lakhs. Thus, the investment made by majority of the units in plant and machinery is comparatively higher than the investment in land & building and their investment in Land & Building is comparatively higher than their investment in Furniture & Fixtures. Units have the lowest investment in Furniture & Fixtures.

8. Operational Information of the Sample Units:

a) Raw materials:
An overwhelming majority of the units (80 percent) are found procuring raw materials directly from local and outside sources. It is interesting to observe that majority of the units (65.6 percent) do not face the problems in procurement of raw materials.
b) **Capacity utilization:**

It has been observed that a large number of units (66.6 percent) are utilizing less than 50 percent of their installed capacity. There are instances where sizeable portion of the units (32.8 percent) worked even below 30 percent of their installed capacity. The study further disclosed multiple reasons attributed by the units for underutilisation of their installed capacity. The major reasons for under utilization of the installed capacity of the units are lack of marketing facility (131 units), stiff competition (117 units), financial constraints (58 units), scarcity of raw materials (45 units), power cut and power failure (21 units), managerial problems (36 units), break down in plant and machinery (18 units) and government restrictions (9 units).

c) **Production schedule adopted:**

Entrepreneurs of Majority of the sample units (53.6 percent) are following continuous production schedule leading to creation of regular demand for their product / service. Further, entrepreneurs of as many as 79.4 percent of the sample units carry on their production operation mainly to meet the demand for their products. It is found that entrepreneurs of a large number of units (96) are producing goods on order due to irregular and seasonal nature of demand. It was also observed that entrepreneurs of 87.6 percent of the units were found not using quality standard mark. It shows that these units are facing the problem of lack of quality standard for their products.

d) **Output of the units:**

In the case of majority of the units the output over the last three years showed a steady increase in the growth trend having an output of the value of less than Rs. 10 lakhs. On the other hand, there has been decrease in number of units at the higher values of output. It indicates that the contribution of these units towards
industrial production has not been substantial since the units are experiencing a steady rate of growth in output over the years.

e) Local market sales:
Entrepreneurs of a large majority of the units (71 percent) depend on local market for their sales. It shows that these units are basically catering to the local need.

f) Exports of the units:
Out of entrepreneurs of 500 sample units, entrepreneurs of only 43 units (8.6 percent) are exporting their goods. Majority of them have recorded their export of the value of less than Rs. 20 lakhs. The performance of sample units in the field of export is not encouraging.

g) Size of inventory of the units:
A large majority of the sample units (94.2 percent) have got closing inventory. This shows that there is lack of sufficient demand for their products which has resulted in high cost of carrying the inventory.

h) Profit and Loss position:
Profit & Loss position of the sample units disclosed that there has been decreasing trend in the number of units earning profit and increasing trend in the number of units incurring losses and also in the number units operating under Break-Even-Point.

i) Management pattern of the units:
There is a lack of managerial skill among entrepreneurs since majority of the sample units (75.8 percent) are managed by sole proprietors and the managers without professional knowledge. It was observed that no special training has been imparted to the personnel of the majority of the sample units (55.6 percent). It is also found that only a few units (7.8 percent) are partnership concerns.
9. Product & Market oriented problems:

PRODUCT DECISION

a) Measures taken to improve the products:
Entrepreneurs of as many as 71.4 percent of the sample units are able to make proper product planning and also selection of the right product. However, the entrepreneurs of substantial number of the sample units (28.6 percent) could not make it scientifically. The diversification of product and using quality raw materials are considered prominent measures taken by the entrepreneurs of the sample units to improve the quality and standard of their product.

b) Standardisation of products:
From the analysis it was observed that entrepreneurs of a large majority of the sample units (76.4 percent) follow the practice of standardisation for their products. Further, 54 percent of them are following standarisation mainly to ensure quality control, to secure promising customers and to reduce marketing costs.

c) Quality control devices used:
Entrepreneurs of a large majority of the sample units (73 percent) are using one or the other method of quality control device. The single most important device of quality control used by them was trial and error method which is highly unscientific. This shows that the units do not possess standard quality control devices and consequently the products manufactured by them do not conform to standards, without being able to enjoy constant demand.

d) Packing and Packaging practices:
The present study revealed that entrepreneurs of a significant majority of the sample units (59.2 percent) are following packing and packaging. The study also revealed that entrepreneurs of a large majority of the units are following handy, economical, protective and safe type of packing and packaging for their products.
Further, a fairly large number of the units (128 units) are not practising packing and packaging since they undertake Job work, engage in line sales and sell in loose quantity.

e) Trade marks / Brand names used :
It is inferred that the entrepreneurs of a majority of the sample units (79.6 percent) are using brand names to identify and differentiate their products from that of competitors. However, family names and special names were considered popular types of brands used by the entrepreneurs of the sample units.

**PRICING DECISION**

a) Pricing practices:
Entrepreneurs of majority of the sample units (64.4 percent) were found following scientific method of pricing for their products. However, the cost plus pricing method was considered to be the popular method. Besides, a significant number of the units (23 percent) were found practising going rate pricing which means following the price of competitors and pricing depending upon the market forces.

b) Commission provided by the sample units:
Entrepreneurs of an overwhelming majority of the sample units (87.6 percent) are found not providing any commission to dealers and retailers to push up their sales. It is also inferred that the practice of providing commission by the entrepreneurs of sample units to dealers and retailers is not popular.

c) Credit period allowed by the units :
Study disclosed that entrepreneurs of majority of the units (51.6 percent) are providing credit facilities as an incentive to the dealers and retailers. Most of the units are providing credit facilities for a period ranging between 3 weeks and 12 months which has resulted in slow recovery of dues.
d) *Trade Discount offered:*
Entrepreneurs of a large majority of the sample units (385 units) are not offering trade discount to the dealers and retailers, of the sample entrepreneurs of units (115 units) offering trade discount, majority of them are allowing trade discount of less than 10 percent which is not substantial.

e) *Cash Discount allowed:*
It is made out from the study that entrepreneurs of an overwhelming majority of the units (70.6 percent) are found not allowing any cash discount to their customers. Further, of the units that provide cash discount, a large number of units (16.8 percent) are found allowing cash discount of less than 10 percent on their cash sales.

**DECISIONS ON CHANNELS OF DISTRIBUTION:**

a) *Channels of Distribution employed:*
From the study it has been observed that entrepreneurs of majority of the sample units (66.4 percent) have employed direct channel of distribution to customers and own retail outlets for distributing their products. However, direct channel of distribution to customers, distribution through own outlets and through retailers to customers are considered popular channels of distribution selected by the sample units. It shows that the sample units have not employed well established channels of distribution for their products.

b) *Lack of adequate storage space:*
It is inferred from the study that a large majority of the sample units (69.4 percent) do not face any problems of storage. Besides, of the units faced with storage problems, for a majority of them (20.4 percent) the storage problem is due to inadequate storage facilities and perishable nature of their product.
c) Problems of Transportation:
The study disclosed that a majority of the sample units (67.2 percent) were not faced with problems of transportation. Further the study also disclosed that of the units faced with problems of transportation, a large number of sample units (21.2 percent) were faced with transportation problems like costly freight charges, high cost of transport operation and absence of own transport vehicles.

PROMOTION DECISION

a) Advertisement practices:
It is made out from the study that entrepreneurs of a majority of the sample units (62 percent) are not giving any advertisement for their products. It has also been observed that due to costly media and financial constraints, the entrepreneurs are not in a position to give advertisement. Among the various media selected, street advertisement, gift articles and local newspapers are found to be prominent and popular media of advertisement for the products of sample units.

b) Other incentives provided by the units:
It is observed that entrepreneurs of majority of the sample units (61.4 percent) do not provide other incentives than trade and cash discount to their customers. It is also observed that among the units (193 units) providing incentives, reduction in price, free door-to-door delivery of goods and selling the goods at cost price to the customers are found to be the important incentives provided.

MARKETING DECISIONS

a) Sources of Market Information:
Majority of the sample units (64 percent) collect market information about their products from more than one source. However, prime sources of market information are consumers, salesmen, retailers and market as the direct source of
information. In the case of units in the categories like Ferrous & Non Ferrous, Food & Beverages, Job works and Wood works ‘consumers’ are prime sources of market information.

b) Feed-back system used to know the market response:
It has been made out from the study that the entrepreneurs of majority of the sample units (89.8 percent) use one or the other feed-back system to know the response of the market for their products. The prominent feed-back systems used by the sample units were collecting information through customers and regular feed-back from salesmen.

c) Sources of Marketing Finance:
In the case of majority of the sample units (60.2 percent) own funds of entrepreneurs, commercial banks and trade credit have been the major sources for financing marketing activities. These units are faced with the problem of inadequate finance for expansion of market for their products and modernisation of their marketing plan.

d) Bases for market segmentation:
Entrepreneurs of majority of sample units (62.6 percent) concentrate on lower and middle income group of customers for effecting their sales since these groups of customers can afford to pay only for the products of small units.

e) Market share of the Sample Units:
It is gratifying to note that entrepreneurs of a large majority of the sample units (73.4 percent) are found enjoying market share of less than 10 percent for their products since they have been facing acute competition and producing similar products in a restricted area of operation.
f) **Lack of adequate demand:**

It is reported that entrepreneurs of majority of the units (60.4 percent) do not enjoy sufficient demand for their products. Seasonal nature of demand and competition from other large and small scale units are reported to be prime reasons for the lack of adequate demand for the products of sample units.

g) **Major competitors in the market:**

The study disclosed that in the case of 62.6 per cent of the sample units locally established units are major competitors since there is concentration of the units manufacturing similar products in a particular locality. It is significant to note that for 24 percent of the sample units, large units are the major competitors.

h) **Reasons for the customer's preference of the product of sample units to the products of competitors:**

It has been observed that the products of a large majority of the sample units (71.6 percent) are preferred by the customers to that of competitors. Further, established brand names of competitors, lack of advertising, low quality of the products, high price and selling them in loose packs were considered prominent reasons for the products of sample units not being preferred by the customers.

i) **Customers preference of the products of sample units:**

From the study it is observed that products of majority of the sample units (63.4 percent) are on par with that of competitors. However, lack of standardised quality control device, use of poor quality raw materials are found to be main reasons for the products not being preferred by the customers.

j) **Marketing strategy of the units:**

It is found that entrepreneurs of a substantial number of sample units (65.2 percent) are not having any marketing strategy. In the case of units (34.8 percent) which have some specific marketing strategy, a majority (28.8 percent) are having
strategies like tapping the rural market, global marketing strategy and diversification of product lines.

**k) Future Marketing Strategy:**
Entrepreneurs of as many as 68.6 percent of the sample units intend to adopt in future, marketing strategies like e-mail business strategy, business-to-customer strategy, up-tech modernisation, global market strategy, appointment of modern sales representatives and using common brand name with large company.
The maxim 'prevention through caution is better than cure' cannot be ignored in the context of small scale units. The marketing problems of small scale units should be tackled effectively just as cancerous growth in human body is attended to immediately, if not, it will develop itself into a big tumour and ultimately will destroy the body.

In order to enable the small scale units to devise an effective and suitable marketing strategy to solve their marketing problems and to ensure a competitive market for their products, a few suggestions can be put forth.

1. **TO INCREASE MARKET COVERAGE:**

   Market coverage of a unit determines its revenue and in turn its success, survival and prosperity. The sample units in the study area enjoy a limited local market for their product. Besides, they face stiff competition from both large units as well as small scale units of similar nature. On account of these, the sample units are faced with the marketing problems and find it hard to capture the market. Therefore, it is need of the hour that these units should expand their market by entering into markets that are not tapped so far, by adopting niche marketing strategy, by entering into sub-contracting exchange and also by establishing linkages with large units in order to take advantage of the use of common brand names. It is also suggested that these units can expand their market to the international level by producing qualitative products to suit the requirements of customers of new market.

2. **ESTABLISH COMMON QUALITY CENTRES:**

   In the area of quality control, the sample units should adopt an appropriate quality control device at the stage of purchasing raw materials, in the manufacturing process and for the finished products. At the stage of procurement, raw materials
should be of tested quality and should conform to the specifications. In the manufacturing process, good quality can be achieved through regular up-dating of manufacturing facility by using modern technology and tools of right capability. At the stage of finished goods quality of the product can be ensured through personal inspection by experts.

Further, in this direction, government promotional agencies like SIDO, KSSIDC and DICs should think of setting up more and more mini common tool rooms at taluk and rural centres to provide testing facilities specially for products manufactured by units in the categories of Mechanical, Automobile, Chemical and Electrical categories by charging nominal fees for the service rendered. Apart from common quality centres, a vigorous and extensive quality campaign strategy and quality consciousness programmes have to be organised to spread and create zero defects culture among the entrepreneurs. Besides, training of small entrepreneurs in the area of quality control is necessary to improve the marketability of the products. AGMARK, ISO facilities should be made available to the doorsteps of entrepreneurs.

3. TECHNOLOGY UP-GRADATION:
Up-dating of manufacturing process by using modern technology, tools of right capability is the need of the hour. It can be suggested that small units should look forward to technical know-how from Research & Development Laboratories like CFTRI and CSIR where they can get complete technical know-how at nominal fee as these laboratories are working on non-profit basis supported by central Government and State Government. Apart from this, government should also think of providing necessary fund for technological up-gradation required by small units by providing concessional assistance and subsidies. Government may also think of establishing categorywise technology parks like Food-Agro Technology Park, Apparel parks to provide required facility to garments manufacturing units.
4. CREATE HEALTHY COMPETITION:
Small Scale Units are faced with stiff competition from both large scale units as well as small units of similar nature. And in many cases they pose unhealthy competition. It can be suggested that units should avoid competition by improving quality of the product, by offering qualitative products at reasonable price and by paying equal attention to the present and potential demand for the product and finally through collective bargaining efforts by the units. It would be desirable to establish categorywise Industrial Management Committees to continuously monitor the performance of the units in their area with a view to increase their competitive position. These units should try for competitive advantages through constant innovation in the product design, in the production process along with new marketing approach. Government on its side should try by proper regulations, for eliminating unhealthy competitions. It should also check manufacturers of spurious products. Besides, it has been suggested that in future while granting license for the units in a particular locality, sufficient care must be taken to assess the demand potential for the products of the unit and the existing units of similar nature in the region in order to avoid unhealthy competition.

5. ADOPT CONVENIENT AND ATTRACTIVE PACKAGING:
For a substantial number of sample units lack of proper packing and packaging has been a common problem. It can be suggested that units should practice packaging as potential tool to promote sales and quality of the products rather than as a tool of mere safety, protection and economy. Further, attractive, beautiful, elegant and after use packages must be used in order to attract different types of customers. Promotional agencies like DICs, KSSIDC and SISI should provide information about package design and appropriate package. Packaging awareness has to be created and intensified and also facilities for attractive designs and printing need to be given to entrepreneurs. Besides, these units can also go for smaller and attractive packages which can be a unique selling proposition for them. It can also
be suggested to use Eco-friendly packaging materials like jute and cotton and to concentrate on creating a separate identity for themselves.

6. EFFECTIVE BRANDING:
Quite a large number of sample units are facing marketing problems not for using brand names for their products but mainly due to established brand names of large companies as well as other small units of similar nature. It may be suggested that units should try to concentrate on creating separate entity by differentiating their products and cope with established brand names of large companies. Idea of event-based-marketing may be adopted to create brand awareness. In order to popularise the brands, the events like music, stage performance, fairs, festivals, trade shows & exhibitions, films & T.V. programmes and social-cause-related activity may be used. Further, special brands for rural consumers are to be built out and proper measures are to be evolved for their effective communication.

7. EFFECTIVE ADVERTISING:
For an effective advertising for the products of sample units it is suggested that industrial fairs, exhibitions, buyers-sellers-meet, sales contest, prize contest, event-marketing, franchise selling, door-to-door canvassing should be organised at both town and rural centres periodically. This would go a long way in promoting their sales. Further, after sales service, personal contact through hand bills and prize-winning-contests may also be adopted. In this direction the government should allot a separate advertisement time slots in national T.V., cable T.V., networks and Akashavani media at a subsidised advertisement tariff. The present concession of 15 percent in advertisement tariff may be enhanced to 25 percent. It is also suggested that a common advertising agency can be established through the association of similar nature of business units.
8. IDENTIFICATION OF AN IDEAL DISTRIBUTION CHANNEL:
It has been the experience of the sample units in the study area that they find it difficult to locate suitable channel of distribution. This is mainly due to the reason that middlemen expect credit facilities of long period. Therefore, it may be suggested that units should strengthen their financial position by arranging for sufficient working capital to withstand credit payments. They should provide credit facilities only for a short period. It is essential to concentrate on developing newer channels so that they can reduce their dependence on the existing channels. These newer channels may be selling through personal marketing like friends, relatives and directly to the customers. Understanding the needs of the distributors and monitoring inflow and out-flow of inventory should be considered while selecting the channels of distribution. Tele-marketing which is emerging as a viable alternative to conventional distribution may be used by the units.

9. DEVISE OWN SYSTEM OF MARKET INFORMATION:
The Entrepreneurs of sample units are suggested to device their own system to gather market information for their products based on changes in consumers needs, tastes, preference, likes and requirements. They should establish an information system through appropriate reliable sources like personal visit to the genuine customers, through DIC, SISI, daily market reports and bulletins of associations. Further, a Bureau or cell may be set up as an independent organisation at block level and gramapanchayat level to gather the required information from various sources and disseminate the same to the small entrepreneurs of the area. Today, business queries between units can be easily exchanged over the electronic networks, and specifications, drawing & designs can easily be transmitted between the units. In this direction Government should think of a time bound programme for disseminating information by promoting the use of computers and modern telecommunication devices in small units.
10. ARRANGE FOR ADEQUATE MARKETING FINANCE THROUGH WORKING CAPITAL:
A large number of sample units are confronted with the problem of marketing finance. They have not been able to expand their market, appoint sufficient sales force and modernise their plant & machinery due to lack of adequate marketing finance. There is a need to strengthen the financial position of sample units by providing sufficient working capital. Therefore, it is suggested that a portion of the debt provided by the financial institutions must be in the form of working capital to enable the units to meet the requirement of working capital. Commercial banks and special financial institutions like SIDBI, KSFC and NABARD should enhance the present working capital limit and provide working capital throughout the year at concessional rate of interest apart from providing long term finance.

11. SET UP MARKETING CO-OPERATIVES AND CONSORTIUM:
Based on the nature of products manufactured by different categories of small units, there is a need to set up marketing co-operatives at Gramapanchayat and Block level to promote marketing of the products of SSIs. Further, DICs can take the lead in establishing marketing co-operatives for different categories of small scale units. The commercial banks can provide financial assistance to these marketing co-operatives. The SIDBI must also provide refinance assistance to banks to enable them to provide marketing assistance to the co-operatives of SSI units. These marketing co-operatives should organise training and lecture programmes on marketing and arrange interaction between marketing specialists and entrepreneurs. Through consortia the government should bring together units with allied products. Joint publicity, gathering of market information, quality control and supply of raw materials should be the function of each consortium group. Besides, it can be suggested that the Government with Confederation of Indian Industry (CII) can set up some Sub-contracting Exchanges to facilitate the small units in their marketing endeavours. It would be advisable if national level
SSI Associations or Federation could come forward to develop brands and consortia of Small Scale Industries.

12. PROMOTION OF EXPORTS:
A very few sample units are exporting their products. The problems encountered by the units in the export arena can be overcome through collective efforts. To put forward a combined and a collective approach for maximisation of export opportunities, the units should form themselves into groups and consortia. Such efforts facilitate better market information sharing, improved packaging, organisation of trade fairs for export promotion, joint marketing efforts and better bargaining. SIDBI should set up a separate wing for export finance with a regional spread of its branches. Special incentives like freight subsidy need to be given by the government to promote the export of new items to hither to untapped foreign markets. This helps to broad base the export market of the small units. Besides, for Export Promotion, Industrial Parks may be established to provide necessary marketing support including financial assistance for publicity of logo and brand names through print or electronic media.

13. NEED FOR CHANGE IN THE POLICY OUTLOOK OF THE GOVERNMENT:
A change in the outlook of the government is required to solve the marketing problems faced by small scale units. Government through its promotional agencies like DICs should assess the project objectively before sanctioning permission in such a way that entrepreneurs should be able to give a good start to the unit without causing delay.

     In the changed context of globalisation small scale units have to compete with both domestic large units and global companies. Thus, they must become financially sound to withstand the competition. Their survival and growth depends on how well they can beat the competition for which purpose the units must stand
on their own without much procedural hurdles. Besides, in the changed scenario of globalisation, reservation policy of the government does not have any real meaning and it does not make units self dependant. Thus, reservation policy of the government needs rethinking in view of the changed circumstances. The policy of the government must be directed towards making the units self reliant and on par with other units. To enable the small scale units to survive the competition posed by large domestic units and multinationals and to become financially strong, they must receive support and encouragement through the policy frame work of the Government.

14. ADOPT SUITABLE PRICING STRATEGY:
Difficulties in fixing the price of the products can be overcome by practising various scientific pricing strategies like skim-the-cream pricing, penetration pricing and cost plus pricing. The sample units are faced with problems while fixing the prices mainly due to competition and fluctuation in the prices of raw materials. In this direction the promotional agencies should try to convince the entrepreneurs the importance and practice of pricing policies in a simple, rational and scientific manner. Government should enhance further the present price preference from 15 percent to 25 percent on all its purchases from small units. These purchases should include purchases from Defence, Police Department and Railways. Legislative measures have to be taken in this regard. The price strategy must be framed in such a way that it must give preference in its purchase from the small scale units. Further, it may be suggested that these small units should also try to follow common pricing fixed through their individual associations.

15. PROVIDE PROPER INCENTIVES TO THE CUSTOMERS:
Lack of proper incentives to the customers has resulted in the marketing problems faced by the sample units. Sales promotion measures undertaken by sample units in terms of credit period allowed, discount offered and cash discount allowed must be
properly monitored to the benefit of the customers. In the light of significant role played by the customers in a business, the sample units need to emphasise more on providing various incentives like price reduction, free door delivery of goods, selling at cost price, customer-prize-winning contests etc. Benefits of relationship marketing may be of much help to the sample units to keep the customers stay with their products. Therefore, it can be suggested that the units must concentrate on 'Business-to-Customer Strategy' to make the customers maintain constant touch with the business.

16. PROVIDE LIBERAL FACTORING SERVICE TO THE SMALL SCALE UNITS:
One of the problems faced by the small scale units is huge amount of dues from large companies which in turn is due to large credit sales. This has blocked the working capital requirements of small scale units and has affected the units in carrying out their marketing activities. In order to overcome this, it has been suggested that the small scale units must be made available liberal factoring services so that the dues from large units can be taken up by the factors and funds for working capital can thus be made available to small scale units easily, especially to meet the requirements of marketing finance.

17. PROMOTE UNITS THAT UTILISE LOCALLY AVAILABLE RESOURCES TO MEET THE LOCAL DEMAND:
While promoting small scale units, the units that meet the local demand by using locally available raw materials and that suit to the local conditions must be encouraged. This will ensure the units uninterrupted supply of qualitative raw materials from the locality itself at a cheaper price and thereby to meet the local demand for the products at a reasonable price.
18. FUTURE MARKETING STRATEGY:
Re-structuring of the marketing strategy is the most influential factor in meeting the challenges of the new millennium. The distinctive nature of the product or service of the marketer and its profitable nature should be made known to the customers through re-structuring the marketing strategy. There is a need for change in strategy adopted so far for the survival and growth of small scale sector. This change in strategy calls for a shift from individual industry to cluster approach, linkages between large and small units, use of state-of-art technology, efficient system of delivery of input and output with full support and active involvement of financial institutions, association and the Government. Therefore, in view of this the small scale units need to constitute marketing syndicate, appointment of modern sales representatives, common brand names with large companies, e-mail business, business-to-customer strategy, global market strategy, penetrating rural markets and diversification to thrust sector as the future marketing strategy for their business. Besides, the sample units need to adopt E-commerce which has brought a revolution in the field of marketing strategy.

Small Scale Industries must survive and grow for which marketing is of vital importance. But Small Scale Industries are faced with marketing problems. Marketing problem is not an independent one, it is a related issue and it is a complex problem of Marketing Finance, Marketing Infrastructure like forward and backward linkages, Product decision, Pricing decision, Promotion policy, selection of distribution channel problems and the like. Therefore, to tackle this, it requires collective efforts on the part of the entrepreneurs of the units, Government, Policy makers, Promotional agencies involved in the promotion of small scale units, Customers and the Financial institutions providing finance. It requires a well devised future marketing strategy to overcome this problem. The problem of marketing of small scale units in future can be tackled if all engaged in the process realise their responsibility and putforth concerted efforts with commitment, dedication and real will to solve the problem.