CHAPTER – V

MAJOR FINDINGS AND SUGGESTIONS
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Major findings and suggestions:

Small scale industries sector act as a pump-primer for economic development in majority of the developed and developing nations. Over the years, SSI in India has emerged as a dynamic and vibrant partner in the process of development by consistently recording higher levels of growth has compared to over all industrial growth. The process of liberalization and emerging world trade organization regime have thrown open new challenges particularly for the SSI sector. It is an important segment of Indian economy and accounts for 95% of the industrial units. The role of SSI in economic development has been of increasing interest to researchers, national policy makers and international development agencies for the past four decades. The problems of SSI include technological obsolescence, inadequate and irregular supply of raw materials, lack of organized market channels, imperfect knowledge of market conditions etc. Bellary district which has abundant mineral resources is responsible for considerable industrial growth during the past two decades. The present study has been undertaken to initiate a discussion with all the sample units on the research topic.
In the preceding chapters, an attempt has been made to study the issue of marketing problems in SSI and their management on various parameters evolved by the researcher. The researcher, in chapter III, evaluated the profiles of Bellary district and 110 sample units. Similarly, in chapter IV, the perceptions of the selected entrepreneurs regarding production, finance, product planning and quality control, marketing problems, promotion, packaging, after sales services, transportation, pricing, government policy and customer service are evaluated. Some perceptions are evaluated with the help of chi-square values to know whether there exists a significant relationship between the variables chosen.

In this chapter, an endeavor is made to present a succinct report of what has been discussed and analysed in the earlier chapters and various conclusions drawn and the suggestions proposed. Moreover, the major marketing problems and the underlying implications in managing marketing problems of SSI are raised and discussed based on empirical evidences.

The present study examined the responses obtained through field survey from 110 respondent enterprises chosen from different categories of SSI. The major marketing problems faced by these entrepreneurs were:
competition, standardization and grading, branding, entry of MNCs advertisement etc. Since the major objective of this study was to examine how well the SSIs in Bellary district are performing in marketing area despite their problems and prescribe remedial measures to make the marketing activities effective. Specific objectives numbering to eight were set by the researcher to fulfill the main or primary objective. Notable among the specific objectives were: examine the current practices of SSI in marketing, analyse and evaluate the perceptions of the entrepreneurs on various dimensions, identify marketing problems and lastly, to suggest a suitable prescription to manage the marketing problems. The researcher is fully contended regarding the fulfillment of these objectives through a reflection in the foregone discussion under various headings. Further the study also presented the main results and discussions pertaining to what, why and how aspects of managing the glittering marketing problems encountered by SSIs in Bellary district.

Finally, this chapter outlines the major/principal findings and suggestions based on the analysis and interpretation of the field data shown in chapter III and IV.
Summary of findings:

The following are the major findings of the study.

1. It is found in the study that regarding the organization of a small industry, most of the entrepreneurs have started the units as sole proprietorship and very few SSIs are established as partnership firms and private limited companies. But not a single unit is established as a co-operative society for doing business.

2. Through observation technique, the researcher found that the major share of respondents have selected the nature of operation of the units has manufacturing/production and they have no interest in business such as service, repairs, job works etc. It is also further observed that the various types of industries are started and developed by the entrepreneurs from particular caste or communities in the society.

3. SSIs are usually started either independently or as a family business but very negligible number of SSIs are established through motivation by the government agencies. The services of DICs have not been utilizing properly.
4. The researcher found in his study that the entrepreneurs who are with age group of 20 – 34 years are not venturing into new businesses except continuing their ancestral businesses.

5. The study reveals that the small businesses are owned and managed by males, most of the females are confined to the role of housewife's, even if they do business, it is limited only to tailoring, pickles, etc.

6. It is observed that the SSIs are started by the persons who are graduates or pre-degree but not with a post graduate qualification which may offer proven expertise.

7. Majority of the entrepreneurs family background is business or agriculture but not with employment background or any other.

8. It is persuade by the majority of the entrepreneurs that technical capability but not financial resources served as a basis to begin the enterprise.

9. It is disheartening to note that a vast majority of the respondents did not attend any kind of training programmes related to SSIs.

10. The study tells us that the major reasons for under utilization of the industries capacity to produce foods are labour and raw materials problems.
11. The investment made by very large number of SSIs is less than Rs.10 lakhs. The low investment in SSI is responsible for creating other problems such as capturing the new market, increase in sales force, advertisement, branding, standardization etc.

12. Majority of the entrepreneurs depend on private agencies for the raw materials required by them. Although the government is supplying to a certain extent raw materials to some industries, still SSIs most of the times purchase their requirements from other than the government agencies.

13. Survey showed that the sample units have not faced any problem pertaining to raw materials required for manufacture.

14. The study revealed that the storage function and production are clubbed and there is no special significance attached to the storage and warehousing activity.

15. Majority of the entrepreneurs chosen for the survey own and manage with only the owned funds but not the borrowed funds.

16. It is surprising to note that this SSIs do not have an independent sales or marketing department, to maximize sales revenue.
17. It is the experience of the researcher that very important questions such as budgeted and actual sales, achieving budgeted sales, clear vision and mission have not been answered with enthusiasm and interest by the respondents. It shows that the owners/managers generally lacked interest and no encouragement to research is shown.

18. It is a fact that the sales of the products of SSI are confined only to local markets/central markets.

19. In marketing the products manufactured by SSI the channel of distribution used manufacturer – retailer – consumer. In rare cases a direct distribution, i.e., manufacturer – consumer channel is employed.

20. The study found that majority of the SSIs do not have a separate quality control department in the industries.

21. The ISI certification or ISO standards or Agmark are not followed by the sample units.

22. But one of the important problem faced by the SSIs in marketing of their products is competition. This acute competition has become a glaring marketing problem that is faced by SSI.
23. Majority of the SSIs are facing competition from among the local SSIs. Competition from large scale and multi-nationals is not much since most of the products manufactured by the SSIs are sold in local markets or within the state.

24. Although the advertisement of the products helps the SSIs in boosting sales, advertisement is not made very widely because of its high cost. Only a few respondent entrepreneurs are advertising their products.

25. Regarding the sales promotion methods adopted by the SSI, it is found that the credit facility and service are given prominent importance. It is also observed that there is no any evaluation of sales promotion methods.

26. Majority of the SSIs responses revealed that they have not shown much interest in getting proper packages to their products.

27. A very large section of the entrepreneurs did not favour for after sales services like, repairs and maintenance, granting credit etc.

28. The empirical evidence collected by the researcher in the field survey certainly states the thrust for providing services had to depend on dealers.
29. A significant number of entrepreneurs are not giving guaranty/warranty to the products manufactured by them. A discussion with the respondents further revealed that the guaranty/warranty does not arise at all in certain cases.

30. It is found in the study that the entrepreneurs have not experienced any transportation problem when the goods are physically distributed. Of course, some entrepreneurs have their own vehicles.

31. The general principle towards fixation of selling price is on cost basis. It is supported by empirical evidence that the selling price of the product is fixed by taking into consideration the demand and supply forces in the market.

32. Forecasting of the future sales although an important factor for maintaining the stock of raw material and stock of goods, but it has not been practiced by the entrepreneur.

33. Majority of the respondents did not show any kind of interest in availing the incentives offered by the government.
34. It is observed by the study that majority of the entrepreneurs did not show any kind of interest to make a suggestion regarding additional incentives by the government to SSIs.

35. A very large number of respondent entrepreneurs are not infavour of ancillarisation of SSI products.

36. With regard to the strategic alliance to achieve collaboration effort, it is revealed that majority of the respondent units are not infavour of strategic alliance.

37. Majority of the entrepreneurs relied on domestic market, this is due to lack of export knowledge, complicated export policies and size of the units etc. Hence a large number of entrepreneurs felt domestic market is more profitable than foreign market.

38. It is found and understood from the data collected that, competition, advertisement, standardization of the products, branding etc. are the important marketing problems.
39. Surprisingly, it is found that the entrepreneurs are totally unaware of the vision, mission, objectives marketing audit, kaizen practices etc. They have not made any attempt in this direction.

40. A significant number of respondents opined the frequent variation in product design can solve the marketing problems of small entrepreneurs to some extent.

41. It is found in the study that most of the respondent entrepreneurs revealed, retaining the existing market and entering in to new market are the basic components of future marketing strategy.

42. Majority of the SSI respondents have not prepare a market plan.

43. A large number of respondents stated that market research has been used to as a tool to manage the trends in the market for product range.

44. A good number of respondents have not resorted to the segmentation of marketing for their products.

45. It is found in the study that the quality of the product and brand are used to differentiate their products with those of their competition.
46. With regard to customer services a very significant number of respondents have been offering adequate services.

47. Regarding marketing research, it is found that most of the entrepreneurs are ignorant about marketing research. They don’t even have a separate marketing research department.

Suggestions.

There is a need to highlight, examine and understand the various marketing problems faced by the SSI in Bellary district. Every unit has to take this issue seriously and future strategy has to be evolved to come out from the vicious circle of the so-called marketing problems. If these problems are not encountered forthwith the future of SSI is bound to suffer. Based on the results of and discussions on this study, certain pragmatic and specific suggestions are presented here in order to overcome the marketing problems faced by SSI at present in Bellary district. The suggestions which stemmed from the research, it is hoped, will prove useful to all the SSI units in general and the units chosen for the study in particular.
The following are a few suggestions put forth to the sample entrepreneurs to make their working very effective.

1. There is a need to organize these small scale units as partnership firms since capital, technology, skill, business tact, division of work can be integrated instead of running the SSI as a sole trader unit.

2. It is strongly felt by the researcher that the DIC, SIDBI and other government organizations can take steps to motivate the entrepreneurs to start the small scale units which are profitable.

3. Since these are the days of women empowerment and development, women entrepreneurs must be encouraged and motivated by government, DIC and other voluntary organizations led by women. They have been found very successful in business and allied services in practice.

4. It is seriously felt by the researcher that the entrepreneurs who are selected for the study have not attended any kind of training programmes. Therefore, it is suggested that all the entrepreneurs must frequently attend the Entrepreneurial Development Programmes (EDP) or Business Development Programme (BDP) organized by NISIET, SISI, SIDBI, DIC, Commercial
banks etc., participation in such programmes will help the respondents in enhancing their business and Managerial skill upgrading of technical knowledge, networking etc. This intum helps them to organize similar programmes in their enterprises.

5. It is strongly opined by the researcher that there should be a constant interaction with the industry i.e., industry-institute interface. They can have tie-ups with the national institutions such as NISIET, SISI, Commercial banks, Local governments, EPCI (Export Promotion Council of India) SIDO etc., for the benefits like research, consultancy, training etc.

6. Since many sample units are not working at full installed capacity, they are advised to use this fully by over coming the present problem. The working of the organization at maximum installed capacity will derive benefits like sales maximization, increase employment, reduction in cost, saving, increase in profits.

7. There is a need to increase the investment made by the entrepreneurs in the industry. The investment can be raised from present average Rs.------ to Rs.-------. This enables to increase the size of the business, more product lines, better pay and conditions and ultimately the increase in the productivity.
8. Storage and warehousing is a very significant activity in any organization. It is suggested to have an independent stores department to undertake exclusively the function of storage and warehousing.

9. It is of paramount importance that the SSIs should have a separate marketing or business development department to concentrate on improvement of the business.

10. The researcher justifiably feels that the SSIs can make efforts to increase the sales of their products by entering into the national and international markets. At present they have limited their sales to local markets.

11. It highly desirable that every SSI should initiate steps to locate a small quality control department with laboratory facilities. This will ensure the quality maintenance, establish standards and avail national and international certification so that they can compete in global market.

12. In order to overcome the competition from among themselves, which is a biggest marketing problem, the SSIs should take up exercises like fixing a uniform price, promoting perfect understanding among the units, trade alliances, collaborative efforts, strengthen employer’s associations etc.
13. The small scale units need effective advertisement relating to their products although the cost of advertisement is heavy and may be difficult to bear the cost by SSI.

14. There is a need to look back how sales promotional methods have performed in boosting the sales of products. These sales promotional techniques are to be periodically evaluated and improve them if necessary.

15. SSIs should take seriously packaging of the products and provision of after sales services since both this are very crucial in business development.

16. It is suggested to the sample units in general that the cost of the product should be given prime importance while the selling price is fixed. At present they consider only the demand and supply forces of the market in price fixing.

17. The researcher is of the view that there is an urgent need in case of SSIs to undertake sales forecasting activity. This will serve as a target for achievement besides being a control technique.

18. Awareness should be created among the entrepreneurs to venture into export markets, if need be, a short term programme on how to promote exports be given to them by the training institutes in the area.
19. Every enterprise should be conscious of what it is doing and what it has to do. Every unit should have a vision, mission and statement of objectives. Continuous efforts should be made to realize such a vision, fulfill the mission and achieve the objectives of the organization. Every business must be made to run strictly on business lines and according to the objectives for which it is established.

20. For additional benefits more and more marketing services may be encouraged by the enterprises and a market plan should also be prepared to test the pulse of the market.
Scope for future Research:

It should be noted that the findings and suggestions of the study cannot be generalized universally to all SSI units working in different districts of the state and different states in the country. The SSI units may vary in their size, investment, nature, line of products, business, legal and economical environment from place to place. Despite a lot of research carried in this area, yet, there is ample scope for further research based on each category of industry independently. For instance, there can be further research on agro based industries or readymade garments. More and more research studies may be undertaken to explore the most significant issues of small scale industries and such studies will be very useful not only to the industrial units but also to the employees.

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