MARKETING MANAGEMENT PRACTICES
IN
SMALL SCALE INDUSTRIES OF UTTARAKHAND

A
THESIS

to be submitted to
KUMAUN UNIVERSITY, NAINITAL
For the Degree of
DOCTOR OF PHILOSOPHY
in
COMMERCE
2015

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This is to certify that-

(i) The thesis titled “Marketing Management Practices of Small Scale Industries of Uttarakhand” which is being submitted by Amit Thukral for the award of the degree of DOCTOR OF PHILOSOPHY IN COMMERCE OF KUMAUN UNIVERSITY, NAINITAL embodies his original work done under my supervision and guidance;

(ii) The researcher has worked under my supervision for the period prescribed under Ordinance 6 of the KUMAUN UNIVERSITY, ORDINANCES for the degrees of Ph.D. etc.;

(iii) The researcher has put in the required attendance of 200 days in the Department of Commerce of the College during that period;

(iv) No part of the thesis has been submitted for any degree in any other university and the work is strictly on the lines of the synopsis as approved by the Research Degree Committee (RDC); and

(v) The researcher has cleared all the dues of the research centre and the University as well.

Further, it is certified that the thesis is characterized by innovative approach towards the interpretation of facts. It also justifies the ability of the candidate of critical appraisal and sound & logical judgement.

Supervisor

27.7.15
The topic under study "Marketing Management Practices of Small Scale Industries of Uttarakhand" is not only of paramount importance but is also one of the most crucial economic problems of the country depleting financial resources which are very limited in volume. The industrialization of under-developed economics like India may not be deemed on sound footing unless and until the small scale industries are accorded high priority. Modern small scale industries, accepted as they are to be more suitable than large ones in a number of production fields, are being promoted by the Government in many among the under-developed countries of the world on purely economic grounds in some and in view of the socio-economic considerations in others. As demonstrated by the experiences of some Asian countries and some other industrially advanced countries, small scale industries have considerable potential not only to stimulate latent entrepreneurship, utilise locally available natural resources, mobilize dormant capital, increase industrial output, strengthen industrial base and generate employment to a considerable limit but also to appreciably contribute to the exports of manufactured items fetching valuable scarce foreign exchange needed acutely by the country.

Special attention has been paid by the Government through granting of various concessions, rebates and other fiscal incentives to flourish small scale industries in the country. These industries are more important to rural economy where under-employment and unemployment are prevailing in high degree. The integrated rural economic development needs better utilisation of locally available resources so that local self-sufficiency may be achieved in the goods specially to be used in rural areas and this is possible only through the establishment of small scale
industries. Of late, the mounting concern of the Government is the sickness level of small scale industries. Marketing is synonymous to business and business is of no use without profit. Profit is the result of pricing and pricing is the part of marketing. This is why marketing has been analyzed and evaluated as regards small scale industry products.

Out of various causes of sickness, poor marketing of small industry products has been one of the prominent causes responsible for sickness in SSI units. Empirically it has been ascertained that inspite of manufacturing of good quality of products, the small industry fell into the trap of sickness for lack of sound marketing. Efficient and sound marketing practices result in getting remunerative price for its product/products tending to profitability. In the absence of efficient marketing practices, the commercial viability of small scale enterprises may fall in danger leading to sickness. In this way marketing is core function to be taken care of. The growing sickness in small scale industries of Uttarakhand has been a matter of huge concern not only for the entrepreneurs, workers, investors but also for the entire Government machinery also. The topic under study is quite burning one which led us to analyse the different aspects of small industry products marketing.

The present study is based on both the primary and the secondary data as well. The secondary data have been collected from various authentic sources but the study heavily depends upon primary data as no previous research has been done on this topic. The primary data have been collected with the help of schedules, personal interviews & discussions, field survey conducted and indirect oral investigations. The study is divided into five chapters. The first chapter is introductory and explains the rationale and concept of small scale industry, description of marketing, importance of the study, review of literature, objectives of the study, scope of the study hypotheses, research design & methodology and
limitations of the study. The second chapter puts evaluation and control of marketing mix elements. The third chapter states causes deterrents of sound marketing practices. The fourth chapter analyses the impact of marketing practices on profitability. Lastly, the fifth chapter exhibits conclusions and suggestions.

It is hoped that the suggestions made to strengthen the marketing practices of small industrial products would prove of great help to operate small scale industries in profitable manner. These suggestions would not only be found useful by the students of Management, Commerce and Economics but also by the officials of all concerned Government departments, organizations and agencies who have extended huge support, help and cooperation in the completion of the present study. The respondents do deserve a sense of great respect who cooperated me much at the time of fulfilling the schedules by sparing their valuable time for me. I must acknowledge my deep debt of gratitude to my learned supervisor Dr. Mamchandra for his keen interest, valuable suggestions and constant encouragement. I also express a sense of deep respect to the numerous authors, both Indian and foreign whose work has been consulted with profit in the completion of the present study.

Station : Kashipur (U.S. Nagar)
Dated : 27/07/2015

Amit Thukral
Chapter I: INTRODUCTION

• Rationale of Small Scale Industry
• Concept of Small Scale Industry
• Definition of Small Scale Industry
• Small Industry Products: At a Glance
• Description of Marketing Management Practices:
  • Marketing: Conceptual Analysis
  • Modern Concept of Marketing
  • Scope of Marketing
• Importance of the Study
• Review of Literature
• Objectives of the Study
• Scope of the study
• Hypotheses
• Research Design and Methodology
• Limitations of the Study
• References

Chapter II: MARKETING MIX ELEMENTS: EVALUATION AND CONTROL.

• Relevant Marketing Forces
• Elements of the Marketing Mix
• Challenges before Marketing Mix
• Marketing Mix Elements of Small Scale Sector
  (A) Products:
    • Product Dimensions-Managerial Dimension, Consumer Dimension, Societal Dimension
    • Product from Consumer’s Point of View
    • Product Plan or Strategy (Product line Product Mix)
    • New Product Opportunities (Pleasing Products, Deficient Product, Salutary Products, Desirable Products)
    • Relevance of Sound Product
    • Product Analysis and Research
  (B) Pricing:
    • Price,
    • Price as a Key to Successful Marketing
  (C) Place:
  (D) Promotion
    • Promotion as a Stimulus to Marketing
Promotion Mix - Advertising, Publicity, Personal Selling, Sales Promotion

References

Chapter III: DETERRENTS OF SOUND MARKETING PRACTICES

- Inadequacy of Marketing Information
- Difficulty in Market Assessment
- Leakages in Market Segmentation
- Defective Pricing Policy
- Wrong Selection of Channels of Distribution
- Inadequate Advertising and Salesmanship
- Conclusion
- References

Chapter IV: IMPACT OF MARKETING PRACTICES ON PROFITABILITY.

- Consumer Protection and Profitability
- Legislation for Consumer Protection
- The MRTP Commission - A Special Court for Consumer Protection
- Factors Affecting Profitability
- Difficulty in Measuring Profitability
- Overall Parameters of Productivity and Profitability (Profit Margin, Sales Volume, Market Share and Marketing Costs)
- Sales Volume Cost Relationship
- Distribution Cost: An Important Constituent of Marketing Cost
- Application of Ratios to Judge Profitability
- Stock Turnover
- Empirical Study
  - Preparation of Score Chart for Marketing Practices
  - Evaluation of Performance
  - Hypotheses Testing
- References

Chapter V: CONCLUSIONS AND SUGGESTIONS

CONCLUSIONS
- Marketing Practices
- Need of Marketing Practices for Small Industry Products
- Marketing Practices adopted by Small Scale Industries
- Marketing Mix Elements
- Deterrents of Sound Marketing Practices
- Impact of Marketing Practices on Profitability in Small Scale Industries

SUGGESTIONS
- Adopting Modern Concept of Marketing by Small Scale Industries
- Widening and Deepening of Marketing Information as regards Small Industry Products
- Accuracy in Market Assessment by Small Scale Unit
- Market Segmentation on Sound Footing
- Developing Optimum Marketing Mix by Small Scale Unit
- Proper Branding of Small Industry Products
Safe and Influential Packaging of Small Industry products

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