CHAPTER - 6

MICRO BUSINESS ENVIRONMENTAL FACTORS - ANALYSIS OF SURVEY DATA

An overview of the various aspects of the Micro and the Small Enterprises in the State, such as the different schemes and incentives, institutional support, and the main problems in the functional areas, has been made in the previous chapters.

Kerala, with all its achievements in the physical quality of the infrastructure, endowed with qualified manpower, presents a paradox on the industrial front. It remains industrially backward when compared to the other leading States in India. It is a fact that Keralites are highly entrepreneurial and industrious in other States of India and abroad. Hence, the lethargy and indifference of Keralites to open industrial ventures within the State must be attributed to the business environment in Kerala and not to the lack of competence among Kerala entrepreneurs. The business environment is in fact a composite of the ‘micro and macro components. This chapter attempts to investigate the impact of the ‘micro business environmental factors’ upon the manufacturing enterprises in Kerala in the micro and small-scale sectors.

At the very outset, an attempt is made to ascertain whether the business environmental factors affect the entrepreneurial community, favourably or unfavourably.

The impact of the different factors, both favourable and unfavourable, is
assessed, based on the answers given by the respondents to certain positive statements connected with business environment. A five-point Likert Scale is used for the analysis and interpretation of the responses and the mean values are calculated. The mean value above 3 (Mid Value on the Scale) reckons the factor as favourable and that below 3 is found unfavourable. The interpretation is done based on the scale given in Table 6.1

### Table 6.1

<table>
<thead>
<tr>
<th>Scaling</th>
<th>Mean value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most favourable</td>
<td>4-5</td>
</tr>
<tr>
<td>Favourable</td>
<td>3-4</td>
</tr>
<tr>
<td>Unfavourable</td>
<td>2-3</td>
</tr>
<tr>
<td>Most Unfavourable</td>
<td>1-2</td>
</tr>
</tbody>
</table>

The analysis is done taking into account the responses of those who are basically influenced by the identified factors. Thus, when a particular statement has no bearing on the respondent, it remains unanswered. Hence, the analysis is totally dependent on the valid responses alone. The ‘N’ values thus do vary in certain cases as revealed in the Tables.

For testing hypotheses connected with business environment, ‘t’ test is used and where the ‘p’ value of a factor is less than 0.05, it is statistically inferred that there exists a significant perceptual difference between the two groups of respondents regarding the impact of business environmental factors. The same analytical techniques are used for the evaluation of ‘Macro Business Environmental Factors’, in the next chapter.
The micro environment consists of factors having a direct bearing on the performance of a company or enterprise. Since modern business has two aspects, namely, production and sale of goods, the micro environment affects both these aspects of business. Suppliers, customers, marketing intermediaries etc influence both the production and selling of goods.

As the micro environmental factors have direct connections with the enterprises, it is expected that the entrepreneurs are the right persons who can evaluate the impact of micro business environmental factors in the State. Hence, for examining the third objective of the study, 150 manufacturing entrepreneurs, consisting of 100 from the micro sector and 50 from the small-scale Sector are selected.

The Impact of Micro Business Environmental Factors

In the study, the micro business environmental factors are analyzed, classifying the same under the following heads:

6.1. The Impact of Factors Connected with the Suppliers,
6.2. The Impact of Factors Connected with the Customers,
6.3. The Impact of Factors Connected with the Competitors,
6.4. The Impact of Factors Connected with the Marketing Intermediaries,
6.5. The Impact of Factors Connected with the Financiers,
6.6. The Impact of Factors Connected with the Public and
6.7. The Impact of Factors Connected with the Regulatory Agencies.
6.1. The Impact of Factors Connected with the Suppliers

An important force in the micro environment of an enterprise is the suppliers, i.e., those who supply inputs like raw materials and components to the enterprises. A reliable source of supply is essential for the smooth functioning of the business. Uncertainty regarding the regular uninterrupted supply often compels companies to maintain a good stock of raw materials and this results in increased cost of production. The main identified supplier-related factors are, the timely availability of raw-materials, their availability on credit, single source of supplier, loading and unloading costs, fluctuations in raw material prices, local availability of raw materials and transportation cost.

Since the mean value of timely availability of raw-materials (m-3.01) is slightly above 3, the impact of this factor is considered ‘favourable’ to the entrepreneurial community. But the mean values of factors like the availability of raw-materials on credit (m-2.97), dependence on single source of supplier (m-2.55), loading and unloading costs (m-2.88), local availability of raw-materials (m-2.65) and transportation costs (m-2.29) lie between 2 and 3. This is a clear indication that the impact of these factors is ‘unfavourable’ to the entrepreneurs. The respondents agree that fluctuations in raw-material prices is the ‘most unfavourable’ element (m-1.69) (m is between 1 and 2) among the supplier-related factors.

In respect of loading and unloading costs, responses of entrepreneurs working outside the industrial parks are examined. The respondents functioning inside the industrial parks are of the opinion that unloading costs do not affect them, because it is done by their own workers.
The present study endeavours to examine the impact of supplier-related factors on the micro sector entrepreneurs as well as the small-scale entrepreneurs. There is a difference of opinion between the micro sector entrepreneurs and the small-scale entrepreneurs regarding the impact of timely supply of raw materials and the availability of raw materials on credit. The majority of the micro entrepreneurs complain that raw materials are not received on time (m-2.91) nor are they supplied on credit (m-2.93). Since the mean values of these two factors are less than 3, they are considered ‘unfavourable’ to the micro-sector entrepreneurs. But the same factors are found ‘favourable’ to the small-scale sector. In the case of the other five identified factors, a similar opinion was revealed by both the sectors.

From the above analysis, it is clear that the favourable supplier-related factor (m>3) as far as the micro and small-scale enterprises are concerned, is

- the ‘timely availability of raw-materials’ (m-3.01)

The factors identified as unfavourable (m<3) to the respondents are:

- Raw material availability on credit basis (m-2.97),
- Dependence on single source of supplier (m-2.55),
- Loading and unloading costs (m-2.88),
- Fluctuations in raw material prices (m-1.69),
- Local availability of raw materials (m-2.65) and
- Transportation costs (m-2.29)

The present study endeavours to assess the reasons for the current state of impact. The reasons for the above factors remaining unfavourable are quite obvious.
The entrepreneurs in the State, especially those in the micro sector are the victims of intermittent increases in transportation charges occasioned by the recurrent hike in the price of petroleum and related products. As Kerala is located in the south-west corner of India, transportation from the other parts of the country is highly expensive. Moreover, Kerala is a consumer State as its production of many materials is minimal. Raw-materials for the rubber-based and wood-based industries are locally available to some extent. The majority of entrepreneurs engaged in other types of industries are forced to bring many raw materials from other States. The Government agencies like KSIDC and SIDCO must play a vital role in the collection and disbursement of the common raw materials usually required by the entrepreneurs.

Soaring loading and unloading charges is another serious problem. An in-depth inquiry into the problem brings out that the majority of respondents feel that loading and unloading charges are very high in the State, when compared with that in the neighbouring States like Tamilnadu and Karnataka. It is also observed that there is no uniformity in the loading and unloading charges in the different parts of the State. A special cell consisting of the representatives from the Labour ministry, police, authorized trade unions etc. may be formed in each locality so that this problem can be effectively solved.

Another hurdle is the unreasonable fluctuations in the price of raw materials created by the wholesalers and manufacturers. Similarly, some of the suppliers are doubtful about the credit-worthiness of the entrepreneurs, especially the micro entrepreneurs while supplying raw-materials on credit. The Government may give
directions to the scheduled banks to provide guarantee or certification about the credit-worthiness of the entrepreneurs to the suppliers so that this problem can be solved. While considering all the supplier-related factors collectively, their impact is on the whole ‘unfavourable’ (m-2.56) to the micro and small-entrepreneurs in the State. The survey results are given in Table 6.2.

Table 6.2
Impact of Factors Connected with the Suppliers

<table>
<thead>
<tr>
<th>Factors</th>
<th>Micro Mean</th>
<th>Micro SD</th>
<th>Micro N</th>
<th>Small Mean</th>
<th>Small SD</th>
<th>Small N</th>
<th>Total Mean</th>
<th>Total SD</th>
<th>Total N</th>
<th>t</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient and timely availability of raw materials</td>
<td>2.91</td>
<td>1.45</td>
<td>100</td>
<td>3.22</td>
<td>1.30</td>
<td>50</td>
<td>3.01</td>
<td>1.40</td>
<td>150</td>
<td>-1.277</td>
<td>148</td>
<td>0.204</td>
</tr>
<tr>
<td>Raw materials are available on credit basis</td>
<td>2.93</td>
<td>1.27</td>
<td>100</td>
<td>3.06</td>
<td>1.15</td>
<td>50</td>
<td>2.97</td>
<td>1.23</td>
<td>150</td>
<td>-0.611</td>
<td>148</td>
<td>0.542</td>
</tr>
<tr>
<td>Dependence on single source of supplier is better</td>
<td>2.58</td>
<td>1.30</td>
<td>100</td>
<td>2.50</td>
<td>0.93</td>
<td>50</td>
<td>2.55</td>
<td>1.18</td>
<td>150</td>
<td>0.389</td>
<td>148</td>
<td>0.698</td>
</tr>
<tr>
<td>Loading and unloading cost is not high</td>
<td>2.86</td>
<td>1.25</td>
<td>78</td>
<td>2.91</td>
<td>1.22</td>
<td>34</td>
<td>2.88</td>
<td>1.23</td>
<td>112</td>
<td>-0.208</td>
<td>110</td>
<td>0.836</td>
</tr>
<tr>
<td>Fluctuations in raw material prices do not make harmful effect</td>
<td>1.67</td>
<td>0.64</td>
<td>100</td>
<td>1.72</td>
<td>0.64</td>
<td>50</td>
<td>1.69</td>
<td>0.64</td>
<td>150</td>
<td>-0.453</td>
<td>148</td>
<td>0.651</td>
</tr>
<tr>
<td>Raw materials are locally available</td>
<td>2.72</td>
<td>1.39</td>
<td>100</td>
<td>2.50</td>
<td>1.25</td>
<td>50</td>
<td>2.65</td>
<td>1.35</td>
<td>150</td>
<td>0.943</td>
<td>148</td>
<td>0.347</td>
</tr>
<tr>
<td>Transportation cost is not high</td>
<td>2.23</td>
<td>0.65</td>
<td>100</td>
<td>2.42</td>
<td>0.70</td>
<td>50</td>
<td>2.29</td>
<td>0.67</td>
<td>150</td>
<td>-1.644</td>
<td>148</td>
<td>0.102</td>
</tr>
<tr>
<td>Total</td>
<td>2.54</td>
<td>0.47</td>
<td>100</td>
<td>2.59</td>
<td>0.43</td>
<td>50</td>
<td>2.56</td>
<td>0.46</td>
<td>150</td>
<td>-0.639</td>
<td>148</td>
<td>0.523</td>
</tr>
</tbody>
</table>

Source: Survey data

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‘t’ Test Analysis

The hypothesis is that “there is no significant difference in the ‘impact of factors connected with the suppliers on manufacturing enterprises in the micro-sector and the small-scale sector in Kerala’.

The hypothesis stands accepted in the cases of all identified supplier related factors such as the timely supply of raw materials (p-0.204), the availability of raw materials on credit (p-0.542), dependence on single source of supplier (p-0.698), loading and unloading costs (p-0.836), fluctuations in raw material prices (p-0.651), local availability of raw-materials (p-0.347) and the expenses on transport (p-0.102) because the ‘p’ values of all the above factors are greater than 0.05. The collective ‘p’ value of supplier related factors (0.523) (Table 6.2) is greater than 0.05 and hence it is concluded that there is no significant difference between the micro sector and the small-scale sector regarding the unfavourable impact of supplier-related factors on the development of enterprises.

6.2. The Impact of Factors Connected with the Customers

It is a truism to say that a business firm to be successful needs customers. In other words, the customers constitute the most important element in the micro environment of any enterprise. Now, almost all business firms have their own systems to regularly watch the customers’ satisfaction. The main identified customer related factors are, the different types of customers for the products, the purchasing power of the customers, the attitude and desire of the customers, and the non-availability of better substitute products.
Since the mean values of the three customer-related factors like the different types of customers for the product (m-4.38), buying power of the customers (m-4.41) and the attitude and desire of the customers (m-4.11) are greater than 4, the impact of these factors is treated as ‘most favourable’ to the manufacturing entrepreneurial community. But the mean value of the non-availability of better substitutes (m-3.19) brings out that the impact of this factor is ‘favourable’ to the micro and small enterprises.

The study also attempts to examine the impact of the same factors on the micro-entrepreneurs as well as the small-scale entrepreneurs. There is difference of opinion between the micro-sector and the small-scale sector with regard to the impact of the attitude and desire of customers. The micro entrepreneurs think that the impact of this factor is ‘most favourable’ (m-4.21) to them, but the small-scale entrepreneurs feel that its impact is ‘favourable’ (m-3.90). In the case of the non-availability of better substitutes, it is held ‘unfavourable’ (m-2.95) by the micro-sector, i.e., the majority of the micro-entrepreneurs are of the opinion that better substitutes for their products are available to customers and hence their sales are badly affected. But the majority of small-scale entrepreneurs presume that matching substitutes are not available against their products and hence this factor is ‘favourable’ (m-3.66) to them. With regard to the other two factors, the opinions of the two groups are identical.

Based on the collective opinion of both the micro-entrepreneurs and the small-scale entrepreneurs, it can be concluded that all the identified customer-related factors are favourable (m>3) to the entrepreneurial community in the State of Kerala.
The reasons for such an assumption have been clarified on further discussion. From the entrepreneurs’ point of view, it is always better to have customers from a wide range of clients and provinces. There are different types of customers like individuals, business enterprises and institutions in the State. It is generally observed that Keralites have the tendency to buy anything they take a fancy to. Moreover, the purchasing power of the people of Kerala is very high. The higher wage rates within the State and better employment opportunities inside and outside the country have enhanced the purchasing power of the people. The large-scale migration seeking employment, to the Gulf countries from South Kerala and to Europe and the USA from the North Kerala reaffirms this fact. It is worth observing that such a promising positive impact needs to be sustained. The survey results are given in Table 6.3.

**Table 6.3**

**Impact of Factors Connected with the Customers**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Micro</th>
<th>Small</th>
<th>Total</th>
<th>t</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
</tr>
<tr>
<td>Products are bought by different types of customers</td>
<td>4.28</td>
<td>0.67</td>
<td>100</td>
<td>4.58</td>
<td>0.54</td>
<td>50</td>
</tr>
<tr>
<td>Customers have sufficient purchasing power</td>
<td>4.41</td>
<td>0.51</td>
<td>100</td>
<td>4.40</td>
<td>0.49</td>
<td>50</td>
</tr>
<tr>
<td>Attitudes and desires of customers are supportive</td>
<td>4.21</td>
<td>0.88</td>
<td>100</td>
<td>3.90</td>
<td>1.18</td>
<td>50</td>
</tr>
<tr>
<td>Better quality substitutes are not available for customers</td>
<td>2.95</td>
<td>1.91</td>
<td>100</td>
<td>3.66</td>
<td>1.77</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.96</strong></td>
<td><strong>0.55</strong></td>
<td><strong>100</strong></td>
<td><strong>4.14</strong></td>
<td><strong>0.58</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

Source: Survey data
**‘t’ Test Analysis**

The hypothesis is that “there is no significant difference in the impact of factors connected with the customers on the manufacturing enterprises in the micro sector and the small scale-sector”.

The hypothesis stands accepted in the case of factors connected with the buying power of customers (p-0.910), and the attitude and desire of customers (p-0.073), (the p values of the above two factors are greater than 0.05). But the hypothesis stands rejected in the case of factors like the different types of customers for the products (p-0.007) and the non-availability of better substitutes for customers (p-0.030), because the ‘p’ values of these two factors are less than 0.05.

Considering the identified ‘customer-related factors’ collectively, the hypothesis is accepted because the overall ‘p’ value (0.076) is greater than 0.05 (Table No. 6.3). Hence it is concluded that there is no significant difference between micro sector entrepreneurs and the small-scale entrepreneurs in respect of the favourable impact of factors connected with the customers on the development of their enterprises.

**6.3. The Impact of Factors Connected with the Competitors**

Competition is a crucial factor affecting the profitability of an enterprise. In the business world, an enterprise has to face various forms of competitors and competition-related factors. The identified factors connected with competition are the impact of brand competitions, challenges from foreign firms, competitive packaging and pricing of commodities by competitors.
Considering the combined opinions of both the micro-entrepreneurs and the small-scale entrepreneurs, it may be pointed out that competition from foreign firms does not affect them unfavourably (m-3.85). Some respondents believe that packaging has no connection with their business. Among the affected respondents, the majority argue that attractive packaging of competitors is unfavourable to them (m2.85). The respondents view that the brand competition (m-1.41) and the pricing of competitors (m-1.59) are the ‘most unfavourable’ factors connected with competition, because the mean values of the factors are between 1 and 2.

A sector-wise analysis of the micro and small-scale sectors is made to assess the perceptions of the two groups about the impact of factors connected with competitors. There is no difference of opinion between the two groups regarding the favourable impact of competition from foreign firms. The majority of micro-entrepreneurs point out that foreign competition does not adversely affect them (m.3.68), whereas the majority of small-scale entrepreneurs disclose that foreign competition is not at all a problem for them (m.4.18). Further enquiry into the matter reveals that as they are producing quality products, the intervention of foreign products does not interfere in their business. Moreover, large-scale deployment of products, to compete with those of the respondents was also very rare in the study area.

From the analysis of the survey results, it can be deduced that the competitors- related factor favourable (m>3) to the entrepreneurs is that:

- There is no direct threat from foreign competition (m-3.85).
The factors unfavourable (m<3) to the entrepreneurs are:

- Brand competition (m-1.41)
- Pricing of competitors (m-1.59) and
- Packaging of competitors (m-2.85)

The researcher wanted to assess the reasons for the current state of the unfavourable impact. It is observed that micro and small-scale sectors alike face severe competition from the products of medium and large-scale companies. The majority of micro and small enterprises do not manufacture branded products. Besides, the micro and small-scale firms cannot compete with the larger firms in their pricing strategy. Similarly, the small and micro-firms are not in a position to execute the attractive packaging advantages carried out by the larger firms. The people of Kerala, though they are awakened consumers, show a kind of brand loyalty. One of the reasons for it is the influence of advertisement through the media. The practice of marketing the outputs of small scale-units through the retail outlets at all district centres of SIDCO must be intensified.

In the light of all the identified factors connected with the competitors collectively, their impact is considered unfavourable (m-2.39) to the micro and small-scale entrepreneurs. The survey results are given in Table 6.4

‘t’ Test Analysis

The hypothesis is that “there is no significant difference in the ‘impact of factors connected with the competitors on the manufacturing enterprises in the micro and small scale-sectors’”.

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The above hypothesis is rejected in the case of brand competition because the ‘p’ value of this factor(0.000) is less than 0.05. But the hypothesis stands accepted in the case of factors like the non-implication of foreign competition (p-0.063), pricing of competitors (p-0.292) and the packaging of competitors (p-0.823) because the p values are greater than 0.05. The overall ‘p’ value of all the identified competitors-related factors (p-0.861) exceed 0.05 and hence the hypothesis is accepted (Table 6.4). Therefore, the study concludes that there is no significant difference between the micro-sector enterprises and the small-scale enterprises in respect of the impact of factors connected with competitors.

Table 6.4
Impact of Factors Connected with the Competitors

<table>
<thead>
<tr>
<th>Factors</th>
<th>Micro</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
</tr>
<tr>
<td>Brand competition is not harmful to us</td>
<td>1.53</td>
<td>0.58</td>
<td>100</td>
<td>1.16</td>
<td>0.42</td>
<td>50</td>
<td>1.41</td>
<td>0.56</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Challenges from foreign firms are not severely affecting us</td>
<td>3.68</td>
<td>1.68</td>
<td>100</td>
<td>4.18</td>
<td>1.22</td>
<td>50</td>
<td>3.85</td>
<td>1.55</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing of competitors is not affecting us</td>
<td>1.62</td>
<td>0.53</td>
<td>100</td>
<td>1.52</td>
<td>0.58</td>
<td>50</td>
<td>1.59</td>
<td>0.55</td>
<td>150</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packaging of the competitors is not a challenge for us</td>
<td>2.82</td>
<td>1.66</td>
<td>73</td>
<td>2.89</td>
<td>1.54</td>
<td>38</td>
<td>2.85</td>
<td>1.61</td>
<td>111</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.38</td>
<td>0.63</td>
<td>100</td>
<td>2.40</td>
<td>0.55</td>
<td>50</td>
<td>2.39</td>
<td>0.60</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Survey data
6.4. The Impact of Factors Connected with the Marketing Intermediaries

Firms and individuals function as marketing intermediaries in promoting business by reaching the commodities efficiently to the final consumers. The identified factors connected with the marketing intermediaries are the ‘services of middlemen’, ‘the availability of efficient advertising agencies’, and ‘the influence of advertising costs’

Since the mean value of the factor, ‘the availability of efficient advertising agencies’ (m-4.11) is greater than 4, its impact on the entrepreneurship is found to be ‘most favourable.’ The services of middlemen between the manufacturers and the ultimate consumers are appraised ‘favourable’ (m-3.85). The majority of respondents are of the view that advertisement costs are not at all affordable and hence it as an ‘unfavourable’ (m-2.07) factor.

An investigation of the impact of marketing intermediaries factors upon the micro sector entrepreneurs and the small-scale entrepreneur is also conducted. There is a perceptible sector-wise difference with regard to advertisement costs. To the majority of micro entrepreneurs, the impact of advertisement costs is ‘most unfavourable’ (m-1.85) and they consider it unaffordable. But to the small-scale sector, it seems ‘unfavourable’ (m-2.52). Affordability of advertisement charges is some-what high among the small-scale enterprises when compared with that of the micro sector enterprises. Regarding the remaining two factors both the groups are in agreement.
From the above analysis it is obvious that the factors ‘favourable’ (m>3) to the entrepreneurs, as far as marketing intermediaries are concerned, are the following:-

- The services of middleman (m-3.85) and
- The availability of advertising agencies (m-4.11).

An attempt is made to assess the reasons for the current state of favourable impact. There is a net-work of wholesalers, retailers, marketing agents and export agents in the State helping the manufacturers in the distribution of their products. There are also a number of T.V. Channels, newspapers, magazines, cinema theatres etc. advertising these products.

The only ‘unfavourable factor’ (m<3) with regard to marketing intermediaries is:-

- the heavy advertisement costs (m-2.07)

On further discussion, it is observed that the majority of micro-sector enterprises are incapable of advertising their products through T.V. Channels, newspapers and magazines because it is exorbitantly expensive. For the micro sector, advertising in the local news and entertainment channels suits best because so many can be reached using so inexpensive and economical a means, which possesses all the features of TV advertisement.

The collective impact of the marketing intermediaries is favourable (m-3.33) to the entrepreneurial community. The survey results are given in Table 6.5.
### Table 6.5

**Impact of Factors Connected with the Marketing Intermediaries**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Micro Mean</th>
<th>SD</th>
<th>N</th>
<th>Small Mean</th>
<th>SD</th>
<th>N</th>
<th>Total Mean</th>
<th>SD</th>
<th>N</th>
<th>t</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services of middlemen like agents, distributors etc are always beneficial</td>
<td>3.88</td>
<td>0.66</td>
<td>93</td>
<td>3.80</td>
<td>0.83</td>
<td>50</td>
<td>3.85</td>
<td>0.72</td>
<td>143</td>
<td>0.645</td>
<td>141</td>
<td>0.520</td>
</tr>
<tr>
<td>Efficient advertising agencies/medias are available</td>
<td>4.12</td>
<td>0.82</td>
<td>100</td>
<td>4.08</td>
<td>0.57</td>
<td>50</td>
<td>4.11</td>
<td>0.74</td>
<td>150</td>
<td>0.310</td>
<td>148</td>
<td>0.757</td>
</tr>
<tr>
<td>Advertising costs are affordable</td>
<td>1.85</td>
<td>1.03</td>
<td>100</td>
<td>2.52</td>
<td>1.18</td>
<td>50</td>
<td>2.07</td>
<td>1.12</td>
<td>150</td>
<td>-3.575</td>
<td>148</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.26</strong></td>
<td><strong>0.59</strong></td>
<td><strong>100</strong></td>
<td><strong>3.47</strong></td>
<td><strong>0.44</strong></td>
<td><strong>50</strong></td>
<td><strong>3.33</strong></td>
<td><strong>0.55</strong></td>
<td><strong>150</strong></td>
<td><strong>-2.189</strong></td>
<td><strong>148</strong></td>
<td><strong>0.030</strong></td>
</tr>
</tbody>
</table>

Source: Survey data

**‘t’ Test Analysis**

The hypothesis is that “there is no significant difference in the ‘impact of factors connected with marketing intermediaries’ on the manufacturing enterprises in the micro and small scale-sectors.”

The above hypothesis is rejected in respect of the factor ‘advertisement costs’, because its ‘p’ value 0.000 is less than 0.05. It shows that there is significant difference between the micro-sector and the small-scale sector regarding the impact of advertisement cost. But the hypothesis is accepted with respect to factors like the services of middlemen (p-0.520) and the availability of advertising agencies (p-0.757) because their ‘p’ values are greater than 0.05.

Considering the collective ‘p’ value of all the identified marketing intermediaries factors (p-0.030), it is found to be less than 0.05 and hence the hypothesis is rejected(Table 6.5). The inference is that there is significant difference
between the micro-sector enterprises and the small-scale enterprises with regard to
the favourable impact of marketing intermediaries. The collective impact of these
factors is more favourable to the small-scale sector than to the micro-sector.

6.5. The Impact of Factors Connected with the Financiers

Another important micro environmental factor is that of the financiers of the
enterprise. An enterprise gets finance from banks, Governments, private individuals
etc. Their financial potential, policies, strategies, attitudes and ability to provide non-
financial help are very important for the development of the enterprises. The
identified factors connected with the financiers are the willingness of banks to
provide loans without delay, the rate of interest on bank loans, ‘margin money loans
from the DICs’, ‘the rate of interest on margin money loans’, general banking
services to the firms and loans from private individuals at reasonable interest.

Since the mean values of interest on margin money loan (m-4.89) and general
banking services to entrepreneurs (m-4.41) are greater than 4, the impact of these
factors is considered ‘most favourable’ to the entrepreneurial community. But the
mean values of factors, like the willingness of banks to give loan (m-2.86) and
sufficiency of margin money loan (m-2.67) are less than 3. Evidently, these two
factors are unfavourable to the entrepreneurs. Factors like interest on industrial
loans from banks (m-1.17) and availability of loans from private individuals at
reasonable interest (m-1.21) are found to be ‘the most unfavourable’ elements to
the entrepreneurs, connected with the financiers. (The mean values of these two
factors are between 1 and 2)
A comparative assessment of the impact of factors connected with the financiers on the micro-sector entrepreneurs and the small-scale entrepreneurs is done, A similar opinion is made by both the groups regarding the favourability or unfavourability of all the identified factors.

From the above analysis it can be concluded that among the factors connected with the financiers the ones ‘favourable’ (m>3) to the entrepreneurs are;

- interest on margin money loans (m-4.89) and
- general banking services to the entrepreneurs (m-4.41)

An enquiry into the reasons for the above factors remaining favourable has been undertaken. The rate of interest on margin money loans from the DICs to the micro and small-scale entrepreneurs is only 6 per cent. Evidently, this comparatively low rate of interest is an inducement to the entrepreneurial community. A close scrutiny of the general banking service reveals that the banks are very prompt in updating pass books, honouring cheques, providing answers to telephonic enquiry etc.

The factors unfavourable (m<3) to the entrepreneurs are:

- the willingness of banks to give loans with out delay (m-2.86),
- the rate of interest on bank loans(m-1.17),
- the sufficiency of margin money loans from the DICs (m-2.67) and
- the loans from private individuals at reasonable interest(m-1.21)

The reasons why the above factors remain unfavourable are explored and elucidated.
The majority of respondents, especially the small-scale entrepreneurs are not happy about the lending policies of the different types of banks in the State. On further enquiry, it is found that the legal formalities prior to getting a bank loan are highly complicated. Some of the banks insist on collateral securities. The present rate of interest for industrial loans is not affordable to majority of small and micro-sector entrepreneurs. Support from the Central and State Governments in the form of interest subsidy to the small-scale sector will be a highly relieving and inspiring measure. In connection with the margin money loan from the DICs, it is observed that the majority of the respondents are unhappy about the provision laid down by the Industries Department that only a maximum of 20 per cent of the project cost or Rs.2.5 lakh, whichever is less, can be granted. On further probe, it is found that this scheme is beneficial only to the new entrepreneurs. It may be reformed by raising the limit. It is also advisable to provide margin money loans to the existing firms, especially at the time of their expansion, modification and diversification. Government must come forward with strict legal measures to supervise and control the indigenous bankers and private money-lenders. Almost all respondents think that loans from private individuals are damagingly costly. If the commercial banks liberalize their credit policies, the entrepreneurs can escape from the clutches of private money-lenders.

While considering the identified ‘financiers-related factors’ collectively, it is learned that their impact is unfavourable (m-2.75) to the entrepreneurial community. The survey results are given in Table 6.6.
Table 6.6

Impact of Factors connected with the Financers

<table>
<thead>
<tr>
<th>Factors</th>
<th>Micro</th>
<th>Small</th>
<th>Total</th>
<th>t</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
</tr>
<tr>
<td>Banks are willing to give loans without delay</td>
<td>2.97</td>
<td>1.26</td>
<td>90</td>
<td>2.68</td>
<td>1.28</td>
<td>50</td>
</tr>
<tr>
<td>Rate of interest for loan from bank is moderate</td>
<td>1.12</td>
<td>0.61</td>
<td>90</td>
<td>1.26</td>
<td>0.53</td>
<td>50</td>
</tr>
<tr>
<td>Margin money loan from DIC is sufficient</td>
<td>2.97</td>
<td>0.87</td>
<td>70</td>
<td>2.06</td>
<td>0.73</td>
<td>35</td>
</tr>
<tr>
<td>Interest on Margin money loan is moderate</td>
<td>4.96</td>
<td>0.20</td>
<td>70</td>
<td>4.74</td>
<td>0.78</td>
<td>35</td>
</tr>
<tr>
<td>New and existing firms get good banking services</td>
<td>4.47</td>
<td>0.69</td>
<td>100</td>
<td>4.28</td>
<td>0.54</td>
<td>50</td>
</tr>
<tr>
<td>Sufficient finance is available from private individuals with reasonable interest</td>
<td>1.13</td>
<td>0.42</td>
<td>100</td>
<td>1.36</td>
<td>0.48</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>2.82</td>
<td>0.39</td>
<td>100</td>
<td>2.63</td>
<td>0.38</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Survey data

‘t’ Test Analysis

The hypothesis is that “there is no significant difference in the impact of ‘factors connected with financiers’ on the manufacturing enterprises in the micro and small scale-sectors’

The hypothesis stands accepted in relation to factors like ‘the willingness of banks to give loans’ (p=0.202), ‘the rate of interest on bank loan’ (p=0.184), and
‘general banking services to entrepreneurs’ (p-0.090) because the ‘p’ values of all these factors are greater than 0.05.

But the hypothesis is rejected concerning factors like the sufficiency of margin money loan from the DICs (p-0.000), the interest on margin money loan (p-0.033) and the availability of finance from private individuals at reasonable interest rates (p. 0.003). It is found that there is significant difference between the micro and the small-scale sector entrepreneurs regarding the impact of these factors. On the impact of the sufficiency of margin money loans, the small-scale entrepreneurs seem to be more dissatisfied (m-2.06) than the entrepreneurs from the micro-sector (m-2.97). With regard to the interest on margin money loans the micro sector entrepreneurs are more satisfied (m-4.96) than the small scale entrepreneurs (m-4.74). About the negative impact of interest on loans from private individuals, the micro sector entrepreneurs are more dissatisfied (m-1.13) than those in the small-scale entrepreneurs (m-1.36).

In the light of the identified factors connected with the financiers collectively, the hypothesis remains rejected, because the overall ‘p’ value 0.005 is less than 0.05(Table 6.6). Hence it is reasonable to conclude that there is remarkable difference in the impact of the factors connected with the financiers on the micro sector enterprises and small-scale enterprises. Both the sectors rate ‘the financier-related factors’ as unfavourable. However, the collective impact of these factors seems more unfavourable to the small-scale sector (m-2.63) than to the micro sector (m-2.82).
6.6. The Impact of Factors Connected with the Public

‘The public’ means any group that has an actual or potential interest in or impact on an organization’s ability to achieve its interests. Environmentalists, consumer protection groups, media persons and the people of a particular locality are some of the well-known examples of the sections of the public. It is a fact that enterprises are influenced by the public. In the study, the identified factors connected with the public are the attitude of the media, environmental awareness of the public and the attitude of the NGOs towards enterprises.

Since the mean value of the factor, ‘the attitude of the NGOs’ (m-4.74), is greater than 4, its impact is considered ‘most favourable’ to the entrepreneurial community. The attitude of the media has the mean value of 3.21, and hence it is treated as ‘favourable’ to the entrepreneurs. The majority of the respondents think that the environmental awareness of the public is unfavourable (m-2.86) to the entrepreneurial community (m<3).

The present study also endeavours to explore whether the impact of ‘the public related factors’ is the same for the micro-sector entrepreneurs and the small-scale entrepreneurs. Both the groups unanimously admit that the attitude of the NGOs is ‘most favourable’, but that of the media is ‘favourable’ and the environmental awareness of the public is ‘unfavourable’.

From the analysis, it can be summarized that the public-related factors favourable (m>3) to the entrepreneurial community are:

- The attitude of media (m-3.21) towards enterprises and
- attitude of NGOs towards enterprises (m-4.74).
Further discussion bears out that the attitude of the media like television channels, newspapers, magazines etc. is encouraging to the micro and small-scale sectors. They help the entrepreneurs, by informing them about the Governments’ industry-related policies, schemes and incentives. Even though advertisements are expensive, they help to popularize products.

The NGOs are voluntary organizations founded with proper planning for functioning in the community. They play an important role in the formation of micro and small-scale enterprises in the State. It is a fact that, by conducting awareness camps and seminars, they help the entrepreneurs to upgrade their knowledge, skill and technology for the optimum utilization of resources. The role played by the NGOs in providing training facilities to the entrepreneurs is worth mentioning. KSSS in Kottayam, TSSS in Tellichery, TSSS in Trivandrum, Mannam Social Service Society and Sreyes in Bathery are but a few leading NGOs facilitating the promotion of entrepreneurship in the State.

The factor found unfavourable to the entrepreneurs is:

- Environmental awareness of the public (m=2.86).

An attempt is made to assess the reasons for the current state of impact. It is observed that the responsiveness of the people of Kerala towards common issues is more vehement than that of people in the neighbouring States. When further inquiry is made the majority of the entrepreneurs reveal that when a new industry is set up in an area, people around will react raising problems of pollution and waste management and the local politicians will definitely help them. The
environmentalists and their groups usually seek to create panic in the minds of the local people by campaigning against the probable ill-effects of the proposed industrial projects. Internally, insisting on statutory as well as other legal compliances, often increases the cost of operation. These issues make problems to the entrepreneurs.

Evaluating the identified ‘public-related factors’ collectively their impact is favourable (m-3.57) to the entrepreneurial community. The survey results are given in Table 6.7.

Table 6.7  
Impact of Factors Connected with the Public

<table>
<thead>
<tr>
<th>Factors</th>
<th>Micro</th>
<th>Small</th>
<th>Total</th>
<th>t</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
</tr>
<tr>
<td>Attitude of the media is encouraging to the business</td>
<td>3.02</td>
<td>1.02</td>
<td>100</td>
<td>3.58</td>
<td>0.93</td>
<td>50</td>
</tr>
<tr>
<td>Environmental awareness of the public is not against new or existing firms</td>
<td>2.91</td>
<td>1.55</td>
<td>96</td>
<td>2.78</td>
<td>1.23</td>
<td>50</td>
</tr>
<tr>
<td>Attitude of NGOs is supportive to the business</td>
<td>4.84</td>
<td>0.42</td>
<td>93</td>
<td>4.55</td>
<td>0.62</td>
<td>47</td>
</tr>
<tr>
<td>Total</td>
<td>3.55</td>
<td>0.66</td>
<td>100</td>
<td>3.62</td>
<td>0.50</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Survey data

‘t’ Test analysis

The hypothesis is that ‘there is no significant difference in the ‘impact of factors connected with the public’ on the manufacturing enterprises in the micro and small-scale sectors’.
The above hypothesis is accepted in the case of the factor, environmental awareness of the public, because the ‘p’ value (p-0.618) is greater than 0.05. But the hypothesis is rejected in the case of the factor the attitude of the media (p-0.001) because the ‘p’ value is less than 0.05. Even though the micro and small-scale sectors have the same opinion regarding the favourability of this factor, its ‘p’ value (p-0.001) shows that there is significant difference of opinion regarding the degree of favourableness. Here, the mean value of the small-scale sector (3.58), which is higher than that of the micro-sector (3.02), shows that the media is more supportive to the small-scale enterprises. Similarly, the hypothesis is rejected with reference to the attitude of NGOs because the ‘p’ value 0.002 is less than 0.05. Here the micro-sector with its higher mean value (m- 4.84) over that of the small-scale sector (m-4.55), confirms that the NGOs are giving more support to the micro-sector enterprises than to the small-scale enterprises.

While considering the identified ‘public-related factors’ collectively, the overall ‘p’ value is found to be 0.543, which is greater than 0.05, and hence the hypothesis is accepted (Table 6.7). Therefore, the study concludes that there is no significant difference in the impact of factors connected with the public on the manufacturing enterprises in the micro sector and the small-scale sector.

6.7. The Impact of Factors Connected with the Regulatory Agencies

Regulatory Agencies like Tax Departments, Industries department, Quality Standard Boards etc. play a decisive role in the development of the MSMEs in the State. The identified factors connected with ‘Regulatory Agencies’ are ‘the attitude of the DICs, the approach of the industries department of Kerala, the attitude of
Central and State tax authorities, the attitude of Quality Standard Boards and the effectiveness of training agencies to provide awareness programmes and training to the entrepreneurs.

According to the respondents, the attitude of the Central and State tax authorities is ‘most favourable’ (m-4.38) to them and that of the industries Department is ‘favourable’ (m-3.05) though in a lesser degree. But the impact of factors like ‘the attitude of the DICs (m-2.75), attitude of Quality Standard Boards (m-2.53), and the effectiveness of training agencies (m-2.63) is unfavourable to the respondents. The mean values of these three factors are less than 3.

The study seeks to examine the impact of the same factors on the micro entrepreneurs and the small-scale entrepreneurs. There is difference of opinion between the micro entrepreneurs and the small-scale entrepreneurs about the attitude of the DICs, the approach of the industrial department, and the effectiveness of training agencies. The attitude of the DICs is found ‘unfavourable’ (m-2.61) to the micro sector entrepreneurs but ‘favourable’ (m-3.04) to the small-scale entrepreneurs. The micro sector entrepreneurs feel that the attitude of the Industries Department is ‘favourable’ (m-3.15) to them, but the small-scale entrepreneurs consider it unfavourable (m-2.84). Evaluating the effectiveness of training agencies to provide proper training and awareness programmes, the micro sector considers it inadequate and hence ‘unfavourable’ (m-2.96), while the small-scale sector looks upon it as ‘the most unfavourable’ (m-1.96). On the other two factors both the groups agree.
Based on the collective opinion of the micro entrepreneurs and the small-scale entrepreneurs, the favourable factors connected with the Regulatory Agencies (m>3) are:

- the attitude of the Industries Department (m-3.05) and
- the attitude of Central and State tax authorities (m-4.38).

Even though the attitude of the Industries Department of Kerala can be adjudged favourable, its mean value is very close to the midvalue (3) on the scale. Analysing the sector-wise opinion, the impact of this factor is found ‘unfavourable’ (m-2.84) to the small-scale sector. Hence the industrial ministry has to give proper directions to the Industries Department to implement various schemes and programmes immediately. Further enquiry among the respondents regarding the attitude of tax authorities reveals that online submission of tax and tax details is convenient to them. The majority of the respondents recall that the tax authorities trust them fully and hence they feel satisfied and happy.

The unfavourable factors connected with the Regulatory Agencies are:-

- the attitude of DICs (m-2.75),
- the attitude of Quality Standard Boards while issuing certificates (m2.53), and
- the effectiveness of training agencies to provide training and entrepreneurship awareness programmes (m-2.63).

The reasons for the above factors remaining unfavourable are revealed on further discussion. The District Industries Centres are expected to provide all...
support to the M S M Es. When further enquiry about their services is made, the
majority of the respondents, especially the micro sector entrepreneurs point out that
they haven’t received much help from the DICs. They complain that they are denied
the opportunities to get proper awareness about the new schemes and programmes
from the D I Cs . Another negative factor is the attitude of the various Quality
Standard Boards entitled to issue certificates like B I S , AGMARK, FPO, ISI etc.
Some of the quality certificates are not mandatory. It is observed that the majority
of the micro units are not keen on securing quality certificates for their products or
enterprise owing to the difficulties of fulfilling various conditions and formalities
laid down by the Quality Standard Boards. It is a fact that proper training in
entrepreneurship is required to boost the industrialization of our State. The different
agencies offering a variety of training and entrepreneurial development programmes
to the existing and prospective entrepreneurs are the District Industries Centres (D I
Cs ), and the professional training agencies such as K I T C O, C M D, K I E D,
and M S M E institute (Thrisur). Various NGOs are also providing different
training programmes to the entrepreneurs. About the competence of training
programmes the small-scale entrepreneurs are more dissatisfied than the micro-
sector entrepreneurs.

While appraising the identified factors related to the Regulatory Agencies
collectively, their impact is found favourable (m-3.10) to the entrepreneurial
community. The survey results are given in Table 6.8.
**Table 6.8**

Impact of Factors Connected with the Regulatory Agencies

<table>
<thead>
<tr>
<th>Factors</th>
<th>Micro</th>
<th></th>
<th>Small</th>
<th></th>
<th>Total</th>
<th></th>
<th>t</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
<td>Mean</td>
<td>SD</td>
<td>N</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude of DICs is very much supportive to the enterprises</td>
<td>2.61</td>
<td>1.20</td>
<td>100</td>
<td>3.04</td>
<td>1.24</td>
<td>50</td>
<td>-2.047</td>
<td>148</td>
<td>0.042</td>
</tr>
<tr>
<td>Approach of the industrial department of Kerala is supportive</td>
<td>3.15</td>
<td>0.90</td>
<td>100</td>
<td>2.84</td>
<td>0.87</td>
<td>50</td>
<td>2.009</td>
<td>148</td>
<td>0.046</td>
</tr>
<tr>
<td>Attitude of Central and State tax authorities is favourable</td>
<td>4.47</td>
<td>0.75</td>
<td>92</td>
<td>4.22</td>
<td>1.02</td>
<td>50</td>
<td>1.654</td>
<td>140</td>
<td>0.100</td>
</tr>
<tr>
<td>Quality Standard Boards issue certificates without delay</td>
<td>2.48</td>
<td>0.87</td>
<td>60</td>
<td>2.61</td>
<td>1.02</td>
<td>36</td>
<td>-0.651</td>
<td>94</td>
<td>0.517</td>
</tr>
<tr>
<td>There are sufficient agencies to provide training and</td>
<td>2.96</td>
<td>1.10</td>
<td>100</td>
<td>1.96</td>
<td>0.73</td>
<td>50</td>
<td>5.818</td>
<td>148</td>
<td>0.000</td>
</tr>
<tr>
<td>entrepreneurship awareness programmes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3.17</td>
<td>0.56</td>
<td>100</td>
<td>2.95</td>
<td>0.54</td>
<td>50</td>
<td>3.10</td>
<td>0.56</td>
<td>0.023</td>
</tr>
</tbody>
</table>

Source: Survey data

**‘t’ Test Analysis**

The hypothesis is that “there is no significant difference in the impact of factors connected with the Regulatory agencies on the manufacturing enterprises in the micro sector and the small scale-sector”.

The above hypothesis is accepted in the case of the factors like the attitude of Central and State tax authorities (p=0.100) and that of the Quality Standard...
Boards (p-0.517) because the ‘p’ values of these factors are greater than 0.05. It shows that there is no significant perceptual difference between the micro sector and the small-scale sector regarding the impact of these factors.

But the hypothesis is rejected in the case of the attitude of the DICs (p-0.042), the approach of the industrial department (p-0.046) and the effectiveness of training agencies (p-0.000).

The identified factors connected with the Regulatory Agencies were statistically interpreted, an overall ‘p’ value of 0.023, which is less than 0.05 resulted and hence the hypothesis is rejected (Table 6.8). Therefore, the study concludes that there is significant difference with regard to the impact of factors associated with the ‘Regulatory Agencies’ on the manufacturing enterprises in the micro sector and the small sector. These factors are collectively favourable (m-3.17) to the micro sector but have an adverse effect (m-2.95) on the small-scale sector.

6.8. Consolidated impact of Different Micro Business Environmental Factors

The impact of the seven identified micro environmental factors upon the manufacturing enterprises in the micro-sector and the small-scale sector has been subjected to close scrutiny in the previous pages. The factors examined are those connected with the suppliers, customers, competitors, marketing intermediaries, financiers, public and regulatory agencies.

Based on the magnitude of their positive impact, the factors found ‘favourable’ to the entrepreneurial community are:
the impact of overall factors connected with the customers (m-4.02),
the impact of overall factors connected with the public (m-3.57),
the impact of overall elements connected with the marketing intermediaries (m-3.33) and
the impact of overall factors connected with the Regulatory Agencies (m-3.10).

Regarding the favourableness of these factors both the micro-sector entrepreneurs and the small-scale entrepreneurs have the same opinion except about the impact of the ‘Regulatory Agencies’. The majority of the micro-sector entrepreneurs consider that the Regulatory Agencies, in the State have made a ‘favourable’ impact (m-3.17) upon their enterprises, but the small scale entrepreneurs were of the view that the performance of Regulatory Agencies is not encouraging to them (m-2.95).

Based on the magnitude of their negative impact, the factors found unfavourable to the entrepreneurial community are:

- the impact of overall factors connected with the competitors (m-2.39),
- the impact of overall factors connected with the suppliers (m-2.56), and
- the impact of overall factors connected with the financiers (m-2.75).

Regarding the unfavourableness of these factors, both the micro-sector entrepreneurs and the small-scale entrepreneurs have the same opinion.

The summarized survey results from Table 6.2 to 6.8 are given in Table 6.9.
Table 6.9

Consolidated Impact of the different Micro Business Environmental Factors

<table>
<thead>
<tr>
<th>Factors</th>
<th>Micro Mean</th>
<th>Micro SD</th>
<th>Micro N</th>
<th>Small Mean</th>
<th>Small SD</th>
<th>Small N</th>
<th>Total Mean</th>
<th>Total SD</th>
<th>Total N</th>
<th>t</th>
<th>df</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>2.54</td>
<td>0.47</td>
<td>100</td>
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</table>

Source: survey results

As per Table 6.9 the collective impact of the seven micro environmental factors, is favourable (m-3.10) to the entrepreneurial community. As per ‘t’ test analysis, the collective ‘p’ value of these factors (0.676) is greater than 0.05. It shows that there is no significant difference between the manufacturing enterprises in the micro-sector and the small-scale sector regarding the collective impact of micro environmental factors. Hence the study concludes that the overall impact of micro business environmental factors is favourable to the micro as well as the small-scale manufacturing enterprises in Kerala.