CHAPTER VI

SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS

6.1 INTRODUCTION

During the past three decades, the Indian match industry grew especially rapidly. Government policies protected Indian matches by placing protective tariffs on imported products and specifically favoured the expansion of the handmade, small-scale sector through the use of differential excise taxes. The ascendancy of the ‘match kings’ was clearly not the intended outcome of the Central Government’s 1979 policy introducing massive relief in excise duties to the cottage and small-scale sector. Match industries helped the growth of ancillary industries for the manufacture of splints and veneers, potassium chlorate and factors producing glue and paper. The present study is intended to explore the problems faced by match industries of three types namely (i) splints and veneers, (ii) chemicals and (iii) match at micro level namely Kovilpatti town in Thoothukudi district of Tamil Nadu.

In the foregoing chapters, profile of the owner respondents, their problems in marketing of matches, marketing methods adopted and perception of the owner respondents towards sickness of match industries were discussed. In this chapter
major findings of the study are summarized. Conclusion and suggestions wind up the chapter.

6.2 SUMMARY OF FINDINGS

The main findings of the study are summarized as follows:

In Chapter III, profile of owners of sample match industries, marketing problems faced by the industries and factors influencing the marketing problems were discussed by using percentages, chi-square test and factor analysis.

Regarding the profile of the sample owner respondents, out of 360 respondents, a majority of them, 79.40 per cent, 57.50 per cent, 83.90 per cent, 75.80 per cent and 52.25 per cent belong to male category age group of below 40 years, married, Hindu and backward caste respectively. 65.50 per cent out of 360, are having upto secondary level of education and 74.70 per cent of them belong to nuclear family.

Regarding the family size of the respondents, out of 360, 67 per cent have upto 5 family members. In the case of annual family income, 28.3 per cent earn less than Rs.1,20,000.

Majority of the respondents (37.70 per cent) have undertaken their match industries on the basis of family business. It is followed by sole traders (31.94 per
It is also inferred from the analysis that the majority (64.40 per cent) of the respondents in the study area undertake the match industries. Majority of the sample industries are stated afresh followed by those who have inherited them. Out of 360, 93.06 per cent have undertaken the handmade match industries with small scale unit.

Out of 360, 65.83 per cent have a single unit followed by two units (20 per cent) and more than two units (14.17 per cent). 165 industries are running upto 10 years and 86 units are having more than 20 years. Out of 360, 56.39 per cent of them are having above 20 workers.

The previous experience is the main reason for starting match units. Out of 360, 232 (64.44 per cent) are registered industries. Due to cumbersome procedures, others could not register their industries.

Out of 360, majority of them (57.22 per cent) purchased their raw materials from the trading company. They opined that the raw materials are adequate. Nearly 29 per cent have opined that inadequacy of raw material was due to scarcity followed by (23.97 per cent) restrictive policy of government. Further, they opined that irregular supply of raw material sulphur was followed by phosphorous.
Majority of the industries have undertaken box filling and leveling followed by dying the wet frames and packaging and bundling.

Out of 360 industries, 128 (35.56 per cent) have produced ordinary matches followed by wax matches (23.61 per cent). 80 per cent of the industries have registered their brand name. Majority of the industries are selling their products through trading companies followed by retailer and wholesalers.

More than 50 per cent of the companies have given discount at the rate of 10 to 15 per cent to their dealers. Regarding the sales promotion, majority have opined that there is severe competition.

Regarding the level of problems, 20 statements relating to the problems in marketing faced by the owner respondents were identified. They were classified into high, medium and low level problems with the help of the statistical tools.

Out of 360 industries, 244 (67.78 per cent), 65 (18.05 per cent) and 51 (14.17 per cent) have faced medium level and high level and low level of marketing problem.

In order to examine the factors associated with the level of marketing problems, Chi-square test was applied.
The Chi-square results revealed that out of ten factors, only marital status and religion have influenced the level of marketing problems. The other factors namely, sex, age, social status, family type, education, family size, income and family income have not influenced the level of marketing problem.

In order to identify the factors influencing the marketing problems, Factor Analysis has been used.

The results revealed that the following five factors have been extracted out of 20 variables.

(i) Availability of resources
(ii) Inadequacy of finance
(iii) Profit margin
(iv) Government regulations
(v) Safety measures

In Chapter IV, marketing strategies adopted by the match industries for promoting their sales were discussed.

In the case of product strategy, need based products for splints and veneers and chemicals and immediate delivery for matches are considered to be important variables. The significant variation among the types of industries identified by
applying F-Statistic were products identification, brand preference, need based products, immediate delivery, damp proofness and quality packing.

It is inferred from the analysis that in the case of price strategy, reasonable price is an important factor for all three categories of industries. The F-statistic showed that the significant variation among the types identified was due to the factors easy payment, mentioning the MRP on label and less advance amount.

In the case of place strategies, the channels of distribution for all three types of industries are identified as trading company, wholesalers, retailers and agents. Nearest location for splints and venners, informative workers for chemicals and area coverage for matches are considered as important variable under place strategy.

The F-Statistics showed that the significant variation found among the types of industries are the factors location of factory, workers co-operatives, friendly attitude of workers, informative workers, satisfied workers, protective control measures and protection for workers.

It is revealed from the analysis that in the case of promotional strategies, attractive promotional gifts, attractive posters and flexibility in payment are found to be important factors for splints and venners, chemicals and match industries respectively.
As per F-Statistic, the significant difference among three types of industries was identified in the factors namely promotion through attractive factors, effective TV and radio advertisement and prompt delivery.

In order to examine the association between level of marketing strategy and characteristics of sample owner respondents, the Chi-Square test was applied.

The Chi-square results revealed the fact that the factors namely sex, marital status, religion, social status, family type, education and family size have influenced the level of marketing strategy.

In Chapter V, causes and factors responsible for sickness of the match industries were discussed.

It is inferred from the analysis that according to the perceptions of officials, poor maintenance of machinery, inferior quality of raw materials and obsolete technology are ranked 1\textsuperscript{st}, 2\textsuperscript{nd} and third places respectively.

As per F-Statistics, significant difference in perception identified among three types of industries are political intervention, unhealthy attitude of workers, high power cost, poor inventory management, labour absenteeism, mismanagement, delay in implementation, poor condition of plant and machinery and frequent leave of employees.
In order to identify the important factors for sickness of match industries, Factor analysis has been used.

The highest factor loading in internal factors are obsolete technology, inferior quality of raw materials and poor maintenance of machinery, frequent leave of employees, political intervention and disequilibrium of demand are the factors with the highest loading in external.

Regarding the different perception of industries between internal and external causes for sickness, the significant difference was observed in splints and venners and match industries as per t-results.

According to the results of Factor analysis, production, finance, labour and marketing are extracted as internal factors causes for sickness.

F-Statistic showed that the significant difference among the three types of industries was observed relating to production, workers and marketing.

Further, it is inferred that the significant difference among the owner respondents are observed on age, level of education and experience regarding the perception in the finance factor.
Regarding the opinion on future scope, more than 30 per cent were hopeful and 12.22 per cent were highly hopeful. Only 11.39 per cent failed to show any kind of hopefulness.

The level of education and years of experience are significantly associated with the attitude to the future of the match industries.

6.3 SUGGESTIONS

The following suggestions are made based on the findings of the study.

The increasing demand for matches coupled with declining wood resources is the major bottle-neck faced by the entire industries in Kovilpatti town. Verner quality wood for match boxes, accounts for 44 per cent of match wood and is in particularly short supply. Hence, the government should take necessary action to supply the match wood to small sector match industries.

Another important basic raw material is chemicals. The shortage and high prices of chemicals are the major problems for match industries.

The workers should be imparted training in the production of matches. Quality consciousness should be inculcated. Good quality of raw materials should be provided by the Government agencies. The Central Government should offer
excise duty concession and State Government should abolish sales tax on the supply of materials to slash the hefty hike in cost of production.

The Government should set up factors for the production of scarce raw materials such as potassium chlorate, match paper, red phosphorous and bandroll paper and channelise their supply to match producers. The government should also organize match co-operative societies for the supply of raw materials at reasonable price. It is also suggested that the sales of raw materials by the government should be fully exempted from sales tax.

The concessions provided by the Government should be implemented for all categories of units without any imparity. Government should limit the number of intermediaries and fix their commission and other charges. Unregistered units producing matches should be identified and penalized. The Government should establish societies for the purpose of marketing matches at reasonable price.

The non-availability of essential raw-materials such as potassium chlorate, red-phosphorous, and splints affect the regular working of the small match producers. The main reason for this state of affair is the procurement of the essential raw material from the open market. To solve this problem it is suggested that the government should come forward to allot the required raw materials to the match industry.
With a view to reducing the delay in sanctioning the licence it is suggested that the Small Match Producers’ Service Industrial Co-operative Societies is created to permit the starting of match units. Those units started with the approval of the co-operative societies may be supervised periodically to see whether they have followed the guidelines issued by the authorities from time to time.

At present the Small Match Producers do not conduct any market survey to ascertain the market potentiality of matches. They simply depend on market information given by the dealers. Moreover, they do not bother very much to ascertain the market information relating to matches from reliable sources. Hence, it is suggested that the match producers conduct a market information centre.

At present the Small Match Producers are being exploited by private match producers. They are also not aware of the consumer behaviour towards their products. Hence it is suggested that the local markets are organized by Government.

The government should come forward to give tax exemption to all the tiny units. This exemption may be given only to those units that are registered the match units.
With a view to solving the problem of misuse of common label by private parties, the Central Excise Department should not approve a label for more than one person. This practice of taking the label by many manufacturing units should not be allowed to continue.

The government should come forward to extend the purchase programme to the match industry also. When the government goes for the purchase of matches for various departments like defence, catering establishment, canteen, hostels and the like they must purchase them from co-operatives.

6.4 CONCLUSION

India is witnessing drastic change in the economic sphere as a result of Liberalization, Privatization and Globalization (LPG) and the consequent thrust on market economy. The very basis of reforms in the economic field is decontrol. The period of licences is over and the role of controlling agencies is becoming insignificant. There is stiff competition in the field of production and services. The scenario is that of the ‘Survival of the Fittest’.

Small scale industries constitute the backbone of a developing country like India. The phenomenal expansion of small scale industries reflects the potentialities of such industries occurring a commanding height in the strategy of development, these industries have become an invaluable weapon in bringing to
fruition a balanced, integrated and egalitarian socio-economic order in our country.

A common weakness of small units is the absence of intelligence, absence of knowledge of markets and of an effective marketing organization. A consideration, therefore, needs to be given to the question of promoting and developing specific institutional agencies which would undertake to small manufacturers on the basis of bulk purchases from suppliers and arrange to market the finished goods.

The match manufacturing units does face many challenges and problems in the production, finance and marketing areas. The present study clearly indicates that the management practices by the match manufacturers and their outlook on production and marketing must still go a long way to catch up with the rapid technical and industrial advancement that is taking place in this country. To take full advantages of the resources employed, it is also strongly suggested that a great thrust must be placed by the Governments (both Central and State) on match manufacturing units.

The research is optimistic that the above measures shall pave the way for meritorious success in marketing problems of match industries.
6.5 SCOPE FOR FURTHER RESEARCH

a. A study of marketed and marketable surpluses of match could be undertaken.

b. The market morphology of matches in Thoothukudi District could be analysed.

c. Profitability levels in match industries can be studied.

d. Marketing channels and their efficiency could be studied with reference to marketing.

e. The impact of industrial sickness in match industry could be evaluated.

f. Foreign exchange earnings of matches could be studied.

g. The role of agents in match industry could be studied.