Chapter – 1

PROFILE OF ICHALKARANJI AND RESEARCH DESIGN

1. INTRODUCTION:

In India there are some cities which have religious importance such as Benaras, Gaya, Haridhwar, Ayodhya, Kanchipuram, Jagannathpuri, Paithan, Nasik etc. and these are sacred cities in India, while Delhi, Agra, Pune, Panipat, Bijapur, Hyderabad, Vijaynagar etc. have historical importance. Bombay, Madras and Calcutta are the cities created by Britishers and these are now leading industrial cities.

Ichalkaranji located in Western Maharashtra and included in Kolhapur District of Maharashtra for the last hundreded years have been growing fast and has become one of the leading centres of textile industry. This city has historical importance also. This city is known as the ‘Manchester’ of Maharashtra. The first Naro Mahadev was the founder of the Ghorpade family. He made Ichalkaranji the seat of this capital in 1708 A.D. Previously this was a small hamlet situated on the left bank of the River Panchganga.

Ichalkaranji remained the capital of the Ghorpade (Joshi’s) from 1708 A.D. to 1949 A.D. Anubai, the daughter of Balaji Vishvanath and the sister of the Peshwa Bajirao I, got married to Vyankatrao, the ruler of Ichalkaranji in about 1719 A.D. and since then Ichalkaranji became the centre of political activities. The ruler of the Ichalkaranji built the palace and other public buildings at Ichalkaranji.

There were 11 rulers who ruled the Ichalkaranji Jaghir. Some of them were farsighted and enlightened. One such ruler was Narayanrao Babasaheb Ghorpade (1892-1943) who made Ichalkaranji a textile city. Many textile powerlooms and allied industries came into existence in Ichalkaranji. A number of cloth merchants, especially the Marwadi community from North India flocked to the city and invested their capital in textile Industries. Side by side some entrepreneurs started co-operative textile industries and spinning mills, like Deccan Co-Operative Spinning
Mills, Ichalkaranji Co-operative Spinning Mills, Kolhapur Zilha Sut Girani, Nava-Maharashtra Spinning Mill etc. There was a need of labour workers for textile and spinning mills. Geographically, Ichalakranji is located in famine-stricken taluka viz. Hatkanangale and Shirol due to the scarcity of rain. So generally most of labourers in Ichalkaranji come from Karnataka side. Some local workers are also involved in this work.

Due to the textile industries Ichalkaranji is known as the little Manchester of Maharashtra. In 1949 Ichalakaranji Jaghir was merged into Bombay Presidency. But after Independence this city is fast developing. It is also an educational centre. Class struggle has been always going on between the rich and the poor. The researcher has made an attempt to study ‘Marketing of Powerloom Fabrics in Ichalkaranji’ by using original sources.

Ichalkaranji has an important place in the urban development of Western Maharashtra. It is an important industrial city where the development of textile and the powerloom industry has brought about over-all prosperity. It is also the main place on the boundary of South Maharashtra and Karnataka State.

The district place of Ichalkaranji is Kolhapur one of the oldest religious and trade centres in Western India. It has ever remained the great centre of learning and culture. Now Ichalkaranji is a commercial, educational and political centre of Kolhapur district.

2. LOCATION OF THE CITY:

Geographically, Ichalkaranji is on latitude 16-40 North and longitude 74-25 East. It is located about 26 kms to the south west of Sangli city. Three roads branching from Kolhapur Sangli road enter into the town, one from the west and the other two from the north and the south. Ichalkaranji is linked by road to Nipani and Chikodi towns of Karnataka State.

3. RAILWAY ROUTE:

Ichalkaranji city is situated midway between Kolhapur and Miraj railway line, and it is 9.5 kms south of the Hatkanangale railway station, Hatkanangale is Taluka place. Ichalkaranji city is 29 kms away from Kolhapur railway station.
4. **THE ORIGIN OF THE NAME OF ICHALKARANJI:**

   It is supposed that Ichalkaranji has been founded in the first century A.D. At first there were seven hamlets\(^3\). But some old people say that there were three villages: 1) Inchi, 2) Unchi, 3) Karanji. Later on these villages mixed into one single village named as 'Ichalakranji'\(^4\).

   The second story about the origin is that there was a part of a forest and there were trees of Karanji on a large scale and the name of the village derived from Inch. From this the name Ichalkaranji might have come into existence.

5. **CLIMATE:**

   The climate of the region is characterized by different climate conditions. During the summer season (February to May) it is hot, during rainy season (June to September) it is wet and during the winter season (October to January) it is cold.

6. **THE RIVER:**

   The river Panchaganga is very near to the city, which is 1.6 km from the city. The river Panchaganga divides the two states Maharashtra and Karnataka. It is considered the border of the two states.

7. **THE SOIL:**

   The soil may be classed into four types: Kali or black, tambool, red, mulee or walwa the orchard and khari.

8. **RAINFALL:**

   The rainfall is very low in Ichalkaranji. Rainfall is below 650 mm.

9. **POPULATION TRENDS:**

   During 1951-61 the growth rate was as high as 85.90%, which was mainly due to the industrialization of the town. The areas from adjoining two villages were amalgamated in to the original limits in 1980 and hence the population increased by 84.24 % during 1971-81. During 1991-2001, the growth rate recorded is only 20.77 %. This small rise can be attributed to large scale migration of people due to closure of many textile units. There is a continuous increase in the birth rate, however birth/death ratio is fairly constant. The Ichalkaranji City is likely to record increased rate of growth of population due to rapid growth of Textile sector.

   The census data reveals that the population of Ichalkaranji has increased continuously. As per 2001 census, total population of Ichalkaranji is 2,57,610.
Table - 1.1

POPULATION GROWTH OF ICHALKARANJI CITY

The following table indicates population growth since 1901.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Decadal % Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>12920</td>
<td>--</td>
</tr>
<tr>
<td>1911</td>
<td>10239</td>
<td>-20.75</td>
</tr>
<tr>
<td>1921</td>
<td>10211</td>
<td>-00.27</td>
</tr>
<tr>
<td>1931</td>
<td>11904</td>
<td>+16.58</td>
</tr>
<tr>
<td>1941</td>
<td>18573</td>
<td>56.02</td>
</tr>
<tr>
<td>1951</td>
<td>27423</td>
<td>47.65</td>
</tr>
<tr>
<td>1961</td>
<td>50978</td>
<td>85.90</td>
</tr>
<tr>
<td>1971</td>
<td>87731</td>
<td>72.10</td>
</tr>
<tr>
<td>*1981</td>
<td>1,61,636</td>
<td>84.24</td>
</tr>
<tr>
<td>*1991</td>
<td>2,14,950</td>
<td>32.98</td>
</tr>
<tr>
<td>*2001</td>
<td>2, 57,600</td>
<td>20.77</td>
</tr>
<tr>
<td>**2011</td>
<td>5,20,000</td>
<td>30.97</td>
</tr>
</tbody>
</table>

* Population figures are inclusive of extended IMC limit namely part of Kabnur and Shahapur Village.

** Projected population figures.

Source: Census Department, IMC, Ichalkaranji.
Table - 1.2

DEMOGRAPHIC INDICATORS OF ICHALKARANJI CITY – 2001

<table>
<thead>
<tr>
<th>Demographic Indicators</th>
<th>State</th>
<th>District</th>
<th>Ichalkaranji City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>96878627</td>
<td>1612980</td>
<td>257610</td>
</tr>
<tr>
<td>Urbanisation Rate (%)</td>
<td>42.42</td>
<td>19.1</td>
<td>96</td>
</tr>
<tr>
<td>Density (persons/sq.km)</td>
<td>315</td>
<td>209</td>
<td>8632</td>
</tr>
<tr>
<td>No. of households</td>
<td>19576736</td>
<td>303886</td>
<td>41833</td>
</tr>
<tr>
<td>Average household size</td>
<td>4.9</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Sex Ratio Females per 1000</td>
<td>922</td>
<td>951</td>
<td>893</td>
</tr>
<tr>
<td>males</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy Rate (%)</td>
<td>76.9</td>
<td>64.4</td>
<td>73.41</td>
</tr>
<tr>
<td>Work participation Rate (Main &amp; Marginal in %)</td>
<td>42.5</td>
<td>44.4</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: TP Department, IMC, Ichalkaranji.

This data shows that density of Ichalkaranji city is more than density of State and District. The reason for more density is industrialization in Ichalkaranji city.
10. SIGNIFICANCE OF STUDY:

One of the major reasons for the present ills of the powerloom sector is lack of proper linkage between the market requirements and the actual production in the different production centers. This is because of the production of textiles is being carried out to cater needs of the traditional markets in the domestic or export segments, which does not have proper forward and backward linkages. Further, more of the production is to cater to the demand from master-weaver. Manufacturers who are controlling the production right from yarn procurement to marketing of the final product. Therefore, the powerloom operators functioning as job work units and they are far away from the changes taking place in the market and are not enough adaptive. It is seen that the powerloom sector has got cluster wise specialization and caters to both export and domestic markets. Due to the above reasons, there are different types of marketing channels and practices prevailing in the decentralized textile industry in Ichalkaranji. The study has thrown light on these different types of marketing channels and practices prevailing in the marketing of fabrics.

In order to meet the changed competitive conditions due to globalisation and liberalization of the economy, there is an urgent need to change marketing practices in general and in particular marketing practices of decentralized powerloom sector. Since Ichalkaranji is one of the important decentralized powerloom sectors in the country. There is a need to understand marketing of fabrics in decentralized textile industry in Ichalkaranji. The findings of study will help to solve marketing problems. The growth of powerloom industry in Ichalkaranji is rapid and product diversification is taking place. It is useful to understand changes taking place in product
diversification in the study area. The study is useful in preparing marketing strategy for decentralized powerloom industry.

No study has been carried out so far on the marketing of fabric in decentralized textile industry in Ichalkaranji. It was strongly felt that there is a need of such study, which would help to understand product mix and market mix in powerloom fabric market. The study aims at finding out the current status of the marketing promotions of fabric in Ichalkaranji and channels of fabric marketing. A humble attempt has been made to analyse powerloom fabric marketing in Ichalkaranji. The finding of study shall help fabric marketers and manufacturers to improve their marketing strategy.

11. OBJECTIVES OF THE STUDY:

The objectives of the study are as under:

i) To study the product mix and market mix in the study area.

ii) To study Fabric Manufacturers’ and Fabric Traders’ Capital Investment and Fixed Assets.

iii) To study Fabric Manufacturers’ and Fabric Traders’ Gross Profit and Net Profit.

iv) To study Fabric Manufacturers’ and Fabric Traders’ Cash in Hand, Cash at Bank and Bank Loan.

12. HYPOTHESIS:

Following hypothesis was accepted for the empirical investigations.

In Ichalkaranji the textile business and marketing is more in the hands of traders than the manufacturers.
13. RESEARCH METHODOLOGY:

This study is based on the primary data collected from adequate and representative sample of powerloom units in Ichalkaranji and also from the inputs obtained from the extensive discussions through meetings with powerloom manufacturers and fabric traders and their associations. Data available with various Government Organisations and Industries Associations has been used. To study the powerloom fabric product mix in Ichalkaranji 75 firms’ product specifications were collected with reference to type of weave, quality, type of looms used for fabric manufacturing and type of fabric manufactured on the powerlooms. In addition to this 34 Balance sheets of powerloom fabric manufacturing firms and 31 Balance sheets of powerloom fabric trading firms were collected. In all 140 units were studied.

13.1 Sample Plan:

The purposive random sampling method was adopted for selecting the powerloom fabric manufacturers and powerloom fabric traders of different size within Ichalkaranji.
The researcher approached 109 Powerloom Fabric Manufacturers to collect data i.e. 2.18% of Total Powerloom Fabric Manufacturers. It was very difficult to collect data more than 109 Powerloom Fabric Manufacturers as sample is large i.e. 5000. However the researcher approached 31 Powerloom Fabric Traders to collect data i.e. 10.33% of Total Fabric Traders. It was possible to collect 10.33% data as sample is small compared to Powerloom Fabric Manufacturers.
13.2 Development of Schedules and Pre-Testing:

A schedule was developed to collect data from the powerloom manufacturing units and fabric traders. The most fundamental and important issue in any survey procedure is to test the schedule for the purpose. A pre-testing of schedule was made. In addition to the schedule, certain open-ended questions were included as attachment to the main schedule, which were related to Government policies, other bottle-necks for assessing the marketing of fabrics in study area.

13.3 Secondary Source of Data Collection:

The available information on fabric marketing was collected from Government departments, different federations, associations and research institutions, etc.

13.4 Statistical Tools:

In order to study the objectives different statistical tools were used. To analyse the data of Hypothesis Nonparametric Mann-Whitney Test is used. A nonparametric hypothesis is the test to determine whether two populations have the same population median. The Mann-Whitney test uses the ranks of the sample data, instead of their specific values to statistical significance. It is one of the best-known non-parametric significance tests. It was proposed initially by Wilcoxon (1945), for equal sample sizes, and extended to arbitrary sample sizes and in other ways by Mann and Whitney (1947).

13.5 Limitations of Study:

This research mainly concentrates on the marketing of powerloom fabrics in Ichalkaranji. The researcher has collected primary data from powerloom fabric manufacturers and fabric traders. The powerloom fabric manufacturers and fabric traders were reluctant to share financial and product details of their firms. Therefore,
researcher had to contact powerloom fabric manufacturers and fabric traders through close friends and personally known fabric manufacturers and fabric traders. There was no chance to accept the other methods of sampling, except purposive sampling method. The undertaking was taken from the researcher by fabric manufacturers and fabric traders regarding not to disclose their name with reference to their financial details for e.g. cash in bank, cash in hand, net profit, fixed assets, current assets and liabilities. Due to this condition the financial details have been given in research study without disclosing their names.

13.6 The Area of the Study:

The researcher has studied powerloom fabric manufacturers and fabric traders who are working within Ichalkaranji city.

13.7 The Period of Study:

The period for study is from 1991 to 2006 i.e. 15 Years. The reasons for selecting this period include factors like -

i) Introduction of new economic policy.

ii) Changes in textile policy.

iii) Specific changes in industrial policy.

iv) Increasing scope of World Trade Organisation regime.

The researcher has studied Balancesheets of powerloom fabric manufacturers and traders 1991 onwards.

REFERENCES:

2. Ibid, p.840.
4. Information supplied by the old persons.

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