Chapter VI

Summary, Conclusions and Suggestions

The small business has attracted very little attention of the historians in the ancient times, or public mind inspite of the fact that its impact on the various civilisations has been phenomenal. Even in recent times economists considered the small firms as inappropriate, obselete and anacronistic as it cannot assimilate the full potential of technological change in the production system. But today everybody agrees that the small business has a definite role in shaping the human destiny and enhancing the quality of life in any society. In a developing country like India small firms are necessary to generate employment for millions, high standard of personal choice to consumers, provide competition and act as a check to monopoly power; further the small firms provide an important source of innovation and in turn it paves the way for entrepreneur development in the society.

In many countries the small enterprises played a significant role in the growth and development of their economic system. Italy and Japan are quoted as classic examples.
In India, too, with the abundance of labour and scarce capital resources small firms have been promoted and protected by the government. But one must say that the small firm owners/managers in India have been shy in developing a market orientation in themselves. Due to this many firms failed and closed. The alarming rate of sickness among the small firms in India may be attributed to the lack of market driven/customer orientation approach among the owner/managers of small business. So the study on the market orientation of the small firms has never been in the mind of marketing experts and academicians. Thus, an attempt is made to enquire into them systematically and scientifically. For the study, Trivandrum district in Kerala has been selected. The data for the study has been collected by the help of a schedule which has been prepared after consulting the relevant literature and after consultation with experts in the field, academicians and practising managers.

There are 232 units covered in the study; they belong to 12 industry group according to the industrial classification of the government. They are classified into, high, moderate and low performers according to their business profitability. The study also attempted to analyse the market orientation and their subelements in details. From the study very important and useful conclusions are emerged.
For food (A) and food (B) categories give almost equal attention to customer orientation, competitive orientation and long term focus. Both type of firms exercised additional effort in interfunctional coordination. The result of the analysis shows that coordination of the marketing function and coordination of the other functions of the firms play a dominant role in the success of the units. The high level of interfunctional coordination enables the firms to achieve higher productivity product success and lower unit costs resulting in high performance. For hosiery and garments also interfunctional coordination is the main contributing factor for success.

In wood industry, the results of the analysis show that the success of the units is associated with the selection of the location and logical selection of machinery and equipments. Eventhough most of them are successful in operation their market orientation is at the low ebb. Their strength is in the location of the unit. If they are developing a better sense of market orientation the industry can further improve the performance.

In paper and printing industry category, the main strengths are long term focus and interfunctional coordination. It implies that these units have to concentrate on other elements of market orientation to improve their performance further.
Non-metallic category of industries in Trivandrum districts are not high performers according to this study. They thrive somehow because of their high level of interfunctional co-ordination and long term focus. It may be noted that this industry is not a major one in the district. Units in this category need special care to differentiate the market and the long term objective. The analysis in chapter v establishes this point beyond doubt.

Metallic products industry in the district is also not that much developed in the state. Perhaps these units are depending on the large industries and few customers. So logical selection of the location is found to be very important for the growth of the industry.

In machinery and parts except electrical, there is no unit in high performing class. The reason may be that this category of industry has not developed in the state. It is notice that these industries have severe competition from other states. In order to establish the credibility of the units, more promotional activities have to be undertaken.

The category electrical machinery and parts caters to the price sensitive segments of the customers. They are good at collecting at market intelligence from retailers and differentiate the products. This is a suitable category for small scale production in the State.
In repairing and servicing the units have comparatively low score for different elements of market orientation. The successful units are located near the commercial centres.

The nature of service usually require face to face contact with customers to satisfy the specific needs of the customers and hence suitable for small scale operation.

Of the 232 units in all the twelve categories the total score of the high performers shows a high level of market orientation, compared to the total mean score. The moderate group also exhibits a high degree of market orientation, whereas the low performers have significantly low degree of market orientation. The relationship between market orientation and business performance is done by correlation analysis. The competitive strengths possessed by successful firms are assessed from the extent of responses received for each item of the competitive strength. For the high performers the total correlation is .77. For moderate and low performance classes correlation to performance is found to be .32.

In rubber and plastic category, also more or less the same pattern prevails among the successful firms. The analysis of the subelements also reinforce the findings. By improving the market intelligence and better product differentiation they can further improve their performance and profitability.
Major Findings

1. In most of the categories of industries, there are more number of high performing units followed by moderate performing units and low performing units

2. High performing units have more score in market orientation than moderate performing units and low performing units

3. Moderate performing units also have high scores in market orientation than low performing units.

4. There is strong positive correlation between market orientation and business performance

5. Successful units have distinct competitive strengths not possessed by unsuccessful ones.

Areas for Further Research

1. The relationship between market orientation and business performance can be examined in other districts, states or nationally with special emphasis of a developing economy

2. The relationship between market orientation and other functions viz the quality of human resources management may be studied.