CHAPTER I

INTRODUCTION AND METHODOLOGY
In an over populated and developing country, like India, the small scale industry has a vital role to play. A place of pride has, therefore, been rightly assigned to it in the country's industrial development programmes. The administrative revision of definition by the government of India, of Small Scale Industrial Units* from time to time starting from Rs. 5 Lakhs and Rs. 7.5 Lakhs (ancillary unit) in 1955 down to Rs. 35 Lakhs and Rs. 45 Lakhs (ancillary unit) in plant and machinery further strengthens the importance of small scale units in the Indian economy. Moreover, for tiny sector which is gaining prominence in Government of India's Small Scale Industry Programme, this limit in plant and machinery has been raised from Rs. 1 Lakh to Rs. 2 Lakhs and is likely to be raised further, again confirms this view. The importance of small scale industrial sector lies in its potential for providing employment not only to the educated and technical persons but also to the unlimited labour force which is increasing year after year. It is a sector which provides jobs for millions where technology is not so advanced.

Modern small scale industries gave employment in the

* Herein after SSI Units.
year 1984-85 to 89.0 Lakh persons. In addition powerlooms for the same period gave employment to 14.0 Lakh persons. Besides, if we consider the traditional industries, Khadi and Handloom, village industries, sericulture, handicrafts, coir, powerlooms and some other unclassified categories this would turn out to be 237.0 Lakhs. If we add to this the earlier figure of employment in modern SSI units, i.e., 89.0 Lakhs, the total would turn out to be 326.0 Lakhs giving a compound annual growth rate of 6.2 percent. It may be emphasised that the village and small industries produced goods worth Rs. 49,235 Crores (compound annual growth rate 8.2 percent) and exporting from this sector goods worth Rs. 3,685 Crores (compound annual growth rate 10.6 percent) for the period under review i.e. 1984-85.

What is more important is the absorption capacity of this sector in utilizing local skills and raw materials to meet the consumption needs of nearby markets. Further, it mobilizes local capital which otherwise will not be available to the industry. Additional factor, which favours growth of small scale industries, is the relatively non-immigratory character of Indian Labour. The small scale sector thus solves the problem of regional and local unemployment.

Further, the large scale industries to a great extent depend upon imported material and machinery and to some extent on know-how which may not be indigenously available. In

* Compiled from Sixth Plan(1980-85).
addition, complex government procedure is another deterrent because it slows down the process. The small scale units, on the other hand, are relatively less dependent on imported machinery and raw materials, and require shorter gestation period.

The role of small scale industry is also important because they contribute a lot in achieving various national goals by decentralization of industrial activities preventing large scale concentration of economic power in the hands of few individuals or established business groups. By assisting, the development of semi-urban and rural areas through utilization of local skills, raw materials and resources, it narrows the gap amongst regional imbalances.

There is no doubt that efficient functioning of small scale sector will result into a higher per capita consumption because of high growth rate, more employment, increased per capita income and a higher level of production. These economic factors, if controlled, will indirectly lead towards a stable political system, integrated social harmony and continuity of cultural heritage. Japan has achieved these by following the 'Industrial Culture'. India could also gain these by following the same path and small scale industries provide the base for such development.

1.1 INDUSTRIAL ESTATES

The Industrial Estate Programme was conceived in India during the mid-fifties. The programme was launched on the
basis of the recommendations made by the International Planning Team, aided by the Ford Foundation which had conducted an indepth study of the problems of small industries in India.

The major objectives of the programme were:

(1) to facilitate the growth of small scale industries by providing all the essential facilities.

(2) to shift the small scale industries from congested areas to estate premises with a view to increasing their productivity.

(3) to achieve de-centralised industrial development in small towns and villages.

(4) to assist the ancillary industries in the townships surrounding major industrial undertakings, both in public and private sectors.

The different components of the Industrial Estates Programme were:

(1) provide well-planned accommodation to small scale industries at suitable sites, with facilities of water, electricity, transport, banks, canteens, watch and ward, all weather approach roads etc.

(2) bring a number of units together and thereby facilitate the establishment of common service centres, introduction of modern techniques, collective purchase of raw materials and sale of finished goods, joint publicity etc. and thus enable the small enterprises to avail of
external economics, thereby counteracting to some extent the disadvantages flowing from the 'smallness' of their size.

(3) to enable the enterprises to avail of the goods and services of each other, so as to make them complementary and inter-dependent.

Industrial Estates may be classified into four categories on the basis of industrial activity:

(a) **Conventional general estate** consists of units producing a variety of products often with no linkages or associates other than those of proximity.

(b) **Ancillary estates** are those estates in which small scale units manufacture components and parts which are required by small, medium and large scale industrial units on a sub-contracting basis. These require least marketing effort. These are located generally in close proximity to the parent unit to facilitate technical supervision, assistance and economic transport.

(c) **Single trade estates** consist of units belonging to a single trade or branch of industry producing similar or competitive products.

(d) **Functional industrial estates** are those estates in which the functions of industry are subdivided among a number of small scale units located in one place, each functioning according to a co-ordinated manufacturing programme.
In addition to this, industrial estates may be classified on the basis of location like, urban, sub-urban, rural, and sponsorship like government estates and cooperative estates. The Industrial Estates were set up in Punjab in 1960's. At present there are 11 urban industrial estates housing 473 ESI units as follows:

**Table - 1**

**URBAN INDUSTRIAL ESTATES IN PUNJAB**

<table>
<thead>
<tr>
<th>Industrial Estate</th>
<th>ESI Units (1983)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Jalandhar</td>
<td>38</td>
</tr>
<tr>
<td>2. Ludhiana</td>
<td>228</td>
</tr>
<tr>
<td>3. Amritsar</td>
<td>36</td>
</tr>
<tr>
<td>4. Malerkotla</td>
<td>30</td>
</tr>
<tr>
<td>5. Bathinda</td>
<td>17</td>
</tr>
<tr>
<td>6. Patiala</td>
<td>19</td>
</tr>
<tr>
<td>7. Pehospur</td>
<td>10</td>
</tr>
<tr>
<td>8. Rajpura</td>
<td>20</td>
</tr>
<tr>
<td>9. Guraspur</td>
<td>6</td>
</tr>
<tr>
<td>10. Sabalara</td>
<td>49</td>
</tr>
<tr>
<td>11. Noshiarpur</td>
<td>20</td>
</tr>
</tbody>
</table>

**TOTAL :** 473

*Source: DOI, Punjab.*

The constructed industrial sheds in these industrial estates were allotted by March, 1979. No other urban
industrial estate has been developed thereafter. However other programmes like focal point, industrial areas, etc. have been adopted later on to allot sheds/plots to entrepreneurs.

1.2 HIGH MORTALITY RATE OF SMALL UNITS HOUSED IN THE INDUSTRIAL ESTATES

The Planning Commission in Sixth Five Year Plan 1980-85, observes:

".....while the number of industrial estates and areas is fairly large, their functioning has not been uniformly satisfactory, the sheds and plots developed have not been fully occupied and become functional. The performance of semi-urban and rural industrial estates have been relatively less encouraging".

A report on mortality of small units in Industrial Estates further confirms the mortality rate in industrial estates:

"The mortality of units in Rural Industrial Estates was 37, which is 83.09 percent of the total enterprises entering the industrial estates, whereas the mortality in urban industrial estates was only 69.5 percent".

In spite of the good facilities provided for the units

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* Kishore, Kamal: "Mortality in Industrial Estates". 
located in Industrial Estates, e.g., planned factory accommodation in convenient locations along with the facility of water, electricity, transport, banks, post offices, first aid, etc., along with production and materials facilities like facilities such as tool rooms, forging shops, foundries, electroplating units, heat treatment centres etc. Further, financial assistance from the government and other incentives are also available. Even then the unsatisfactory performance of industrial estates over a number of years raises the question as to how it could be over-come. It is with this intention that the study is intended to be confined to the units located in industrial estates in Punjab, which happens to be Mecca for small scale industries in Punjab.

1.3 MARKETING - ONE OF THE MAJOR CAUSES OF SICKNESS OF SMALL SCALE UNITS

The success of an organisation depends on various factors other than establishment, production and financial. In external environment political decision (which have been generally in favour of small scale industries), foreign trade trends, buyers behaviour, competitors' activities, regular sources of supply are important. While in the internal environment industrial relations and marketing management are worth mentioning. Importance of these factors varies depending on time, place, product, management and other aspects. The responsibility of every factor for dissatisfaction performance itself become a separate topic of research.

In small scale units the major marketing failures happen to be distribution failures, for examples, apples in
Himachal Pradesh rot and are sold at throwaway prices while with the scientific distribution and storage mechanism they could fetch much better prices in the cities like Bombay and Delhi. Similarly the sports goods units in Jalandhar starve of Kashmiri willow for making out clefts for cricket-bats, while in the valley of Kashmir, Kashmiris use it as fuel. Without disputing the dominance of one factor over the other, the functional area of marketing management has been selected for this study.

The causes of sickness from one angle could be classified as follows:

(a) mis-management which may include inadequate, incompetent and inefficient management;

(b) marketing and its related managerial problems; and

(c) other reasons which are beyond the control of the entrepreneurs.

Marketing Management becomes the most critical functional area when an entrepreneur achieves the production stage successfully. If marketing management faces the uncertainty and environmental changes well, it could keep the organisation out of water. Uncertainty results because of buyers' behaviour which differs from individual to individual and changes from time to time. On the other hand environmental threats may come from other competitors in business or new innovations by marketing researchers. Thus marketing management gives requisite stamina for survival and growth.
Marketing further, provides the proper feedback to the production personnel as it remains in close contacts with the buyers. Modern concept of identifying buyers' needs and producing accordingly, is quite helpful in developing the right product so that the organisation does not face any difficulty in selling the product.

The Planning Commission in 'Sixth Five Year Plan (1980-85)' has also identified marketing problems being faced by SSI units:

"The marketing problems of cottage and small industries flow from their scale of operation, lack of standardisation, inadequate market intelligence, competition from large scale units and insufficient holding capacity....."

Among other states, Punjab has the highest mortality rate in small scale industries accounting for 45.2 percent* of the total closed small scale units in India. Besides there are other varying estimates of the incidence of sickness in the small scale sector. According to the Reserve Bank of India there were about 208,41 small scale units in the country which were sick at the end of 1979.

**PROBLEM STATEMENT**

An amazing fact about Punjab's small scale industry,

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admittedly a field of highest priority in the economy of Punjab, is that nearly more than 50 percent of the available capacity is lying idle. It is all the more important to bear in mind in the present context of the disturbed Punjab when ambitious targets are being talked about and toning up of small scale units in the industrial estates of Punjab is being discussed for the seventh plan.

A number of factors make for the high cost of items being produced by the Small Industrial Units in the Punjab's industrial estates but the major factor of importance is the inefficient marketing of these units. This has been reflected in the sickness, low productivity and low profitability of the units. By not following the scientific marketing the small entrepreneur's investment-productivity coupled with disturbed conditions is going to fall for all times to come.

With the scientific marketing technology it should not be difficult to tackle the sickness problem of Small Scale Industrial Units, toning them up and taking them out of woods which at present is crippling them. A state like Punjab, which used to be a surplus state and was providing divergent products made by small units, has in fact turned out to be a burden state on the exchequer. It should not be beyond the competence of small scale units of Punjab to improve upon the existing standards by nesting the market centres outside the state of Punjab for products of small scale sector.

I may now draw the attention to the crux of the problem which the owners/managers may well like to note.
namely, the shortage of trained and experienced persons in the area of marketing should now be felt by the SSI units of the Punjab. While Punjab has tried to update the production technology in the SSI units it is falling far behind in the marketing technology. Logically, therefore, the SSI units need a planned approach in this regard so that market technology, competence and skill could be adequately developed amongst the small entrepreneurs of Punjab.

The paradox of idle capacity can lead only to one big conclusion - not only the SSI policy either of Government of India or the state Government of Punjab but also the marketing paraphernalia of these needs to be examined. In other words, I must look into the marketing strategies of these SSI units located in the urban industrial estates of Punjab to changing market requirements of the country at large and market centres around the globe.

Punjab's SSI units problem is not only to run successfully its existing units housed in industrial estates and yield monetary returns but also to meet the targets which are being included in the Seventh Five Year Plan. Though they may not be immediately remunerative, yet are vital for the development of Punjab's economy and for that matter overall national economy. Again the challenge of producing and marketing the products being made by SSI of Punjab, which is the hub of the SSI units in the country, again poses the problem of toning up the four P's - Product, Price, Place and Promotion, coupled with the latest marketing technology and developing the entrepreneurs in the scientific marketing
outlook. This is possible only through development of skills of small entrepreneurs/managers in scientific marketing from time to time to meet the changing market requirements for small industries' products in India and abroad.

THE HYPOTHESIS

Marketing is a major activity of the small scale units in Punjab due to the fact that their sickness continues because the owner managers have not diagnosed the ailment they suffer from, i.e., the marketing management. Unfortunately small industry's owners have not yet found a way out to come out of the sickness they have been groping in the dark. So far the failure of these units has been largely attributed to the production personnel, which is one side of the coin, but the bigger ailment they suffer from, i.e., marketing, has been neglected.

The ultimate success of small scale industrial units located in the industrial estates of Punjab will largely depend on their effective marketing strategies. As related to this the study may analyse the relations among price, product, servicing, channels of distribution, advertising, selling and out of these which happens to be the most dominant factor in marketing failures in small scale units.

It is believed that if marketing strategies of the small scale units housed in industrial estates of Punjab are well-designed and adjustments made on a regular basis in terms of the following objectives, atleast the effectiveness of SSI units of Punjab could be sustained and enhanced.
OBJECTIVES

(i) The extent to which marketing principles are either understood and/or practiced by the small scale units located in the urban industrial estates of Punjab.

(ii) To ascertain as to why the units located in the Industrial Estates in Punjab, where all the infrastructure facilities are available, have not been successful to market their products.

(iii) To ascertain and evaluate the product life cycle(s) and finding out the main reasons responsible for higher mortality of small scale units.

(iv) To examine the pertinent characteristics of the role of marketing organisation and how far small scale units have adopted "organising for marketing concepts."

(v) To examine the marketing environment for small scale units of Punjab and check the adaptability of these units to the uncontrollable industrial environment.

(vi) To evaluate product, pricing, structure of distribution and promotional decisions in these units. In other words to analyse the marketing-mix of the selected units in the Industrial Estates and designing effective marketing - strategies for them.

SCOPE OF THE STUDY

The study is mainly focused at examining marketing programmes of small scale units housed in the urban Industrial
Estates of Punjab. Comparison of various marketing aspects of these units is germane as variables like locations, government assistance, incentives etc. are similar for these units.

An attempt in this study has been made to analyse whether success or failure of small scale industrial units located in the urban industrial estates of Punjab would largely depend on the efficiency and effectiveness of marketing programme of these units.

Every small scale industrial unit has its own specific problems. These problems require comprehensive analysis but the discussion in this study is mainly limited to the different aspects of marketing management. This emphasis is intentional since the main thesis of this paper is that the ultimate success of small scale industrial units located in the urban industrial estates of Punjab will largely depend on their effective Marketing Programmes.

The study has been divided into nine chapters. The hypothesis, scope of study, data collection and methods of analysis are included in the present chapter. In the second chapter institutional infrastructure, incentives and other environmental factors have been discussed. An overview of the small scale units, housed in the urban industrial estates of Punjab, has been presented in Chapter Third. Location and product decisions have been evaluated in Chapter Fourth. Nature of markets has been discussed in Chapter Fifth. Chapter Sixth deals with the pricing decisions being taken by SSI
units covered in the study. Physical Distribution and Distribution channels have been described in Chapter Seventh. Chapter Eighth includes promotional strategies. Finally, a summary of main findings and recommendations are presented in Chapter Ninth.

No attempt has been made in the study to evaluate marketing practices of those units which are located outside the urban industrial estates of Punjab. However, at places a general comparison on the basis of findings of other studies has been made. Otherwise by definition the study confines itself to the marketing management of only those small scale industrial units which are located in the urban industrial estates of Punjab.

SAMPLE DESIGN

The sample units have been selected on the basis of stratified random sampling. SSI units housed in urban industrial estates of Punjab were taken as the universe. Lists of such units were prepared for every urban industrial estate. The attempted sample size was determined on the basis of 20 percent of the units in every concerned urban industrial estate. A minimum sample size of 3 units was taken from those industrial estates, where the number of units calculated on the basis of 20%, worked out to be less than 3 units, to give proper representation to such industrial estates. After determining the size of samples for every industrial estate, the particular SSI units were selected on the basis of simple random-sampling adopting random-numbers
There are 11 urban industrial estates in Punjab housing 473 SSI units in the year 1983. The attempted sample size, as determined on the basis of above mentioned methodology, was 99 units. However, 13 SSI units had been closed and excluded from the study. Thus, the final sample size was taken as 86 units, covering 18.2% of the total number of SSI units housed in urban industrial estate of Punjab, as shown in the Table No. 2.

**TABLE NO. 2**

**DISTRIBUTION OF SAMPLE UNITS**

<table>
<thead>
<tr>
<th>URBAN INDUSTRIAL ESTATE</th>
<th>NO. OF UNITS (1983)</th>
<th>ATTEMPTED SAMPLE SIZE</th>
<th>FINAL SAMPLE SIZE</th>
<th>PERCENTAGE OF FINAL SAMPLE SIZE TO THE TOTAL UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. JALANDHAR</td>
<td>38</td>
<td>8</td>
<td>6</td>
<td>15.8%</td>
</tr>
<tr>
<td>2. LUDHIANA</td>
<td>228</td>
<td>46</td>
<td>41</td>
<td>17.9%</td>
</tr>
<tr>
<td>3. AZAMABAD</td>
<td>36</td>
<td>7</td>
<td>6</td>
<td>16.7%</td>
</tr>
<tr>
<td>4. KALERKOTLA</td>
<td>30</td>
<td>6</td>
<td>4</td>
<td>13.3%</td>
</tr>
<tr>
<td>5. BATHINDA</td>
<td>17</td>
<td>4</td>
<td>3</td>
<td>17.6%</td>
</tr>
<tr>
<td>6. PATIALA</td>
<td>19</td>
<td>4</td>
<td>4</td>
<td>21.1%</td>
</tr>
<tr>
<td>7. FEROZEPUR</td>
<td>10</td>
<td>3</td>
<td>3</td>
<td>30.0%</td>
</tr>
<tr>
<td>8. RAJPUR</td>
<td>20</td>
<td>4</td>
<td>3</td>
<td>15.0%</td>
</tr>
<tr>
<td>9. JODHPUR</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>50.0%</td>
</tr>
<tr>
<td>10. HAMIRPUR</td>
<td>49</td>
<td>10</td>
<td>9</td>
<td>18.4%</td>
</tr>
<tr>
<td>11. HOSHIARPUR</td>
<td>20</td>
<td>4</td>
<td>4</td>
<td>20.0%</td>
</tr>
<tr>
<td><strong>OVERALL</strong></td>
<td><strong>473</strong></td>
<td><strong>99</strong></td>
<td><strong>86</strong></td>
<td><strong>18.2%</strong></td>
</tr>
</tbody>
</table>

The decision regarding a sample size of 20% of the units from every industrial estate of Punjab or 3 units,
whichever is higher, was subjective, which was taken after keeping in view the representation of every industrial estate. It was difficult to compute the sample size by statistical methods as these require the values of parameters, like proportions, standard deviations, etc. which were not readily available and difficult to obtain.

DATA COLLECTION

The study is based on primary as well as secondary data collected by the researcher.

Primary data were collected by conducting a field survey amongst 86 units covered in all of the 11 urban Industrial Estates of Punjab. The data was collected by means of a questionnaire which was pre-tested and personal interview on the aspects not covered in the questionnaire as appended herewith.

Secondary data have been collected from various sources, e.g., State and Central Government Agencies like Directorate of Industries, Punjab, SISI (Punjab); Punjab State Small Industries and Export Corporation; Development Commissioner SSI; NSIC; District Industries Centres; as also from the internal records of the Small Scale Units covered in the survey.

DATA ANALYSIS

The data which could be quantified was classified and tabulated accordingly. An effort has been made to find out relationships between various attributes and
and inferences have been drawn accordingly. Statistical methods of Chi-square Test and Spearman's Rank Correlation have also been applied in analysing some data as these do not require any assumption about the basic probable distribution these methods were preferred by the researcher over the others.

It would be very tempting in the present field of study to compare marketing aspects of small scale industrial units located in the industrial estates of Punjab with other states in India and similar units in advanced countries like Japan and US to draw conclusions regarding effectiveness of marketing practices of SSI units. However, I feel it is necessary to keep in view the basic differences in the resources and distribution of wealth in various states of India and levels of economic development in other countries. A comparative study in respect of other developing countries like Pakistan, Bangladesh, Nepal etc. has not been conducted because of limited resources in terms of time and money.

It was, therefore, considered proper to make a microscopic study of the various aspects of marketing management in small scale industrial units located in urban industrial estates of Punjab and to evaluate these in the light of the generally recognised principles in the subject.

Since the scope of the study is wide, it has not been possible to prepare a complete quantitative estimate. The various units provided the data which these units could
readily make available. With the help of other secondary data, efforts have been made for a balanced quantitative analysis together with qualitative base of the study.

LIMITATIONS OF THE STUDY

There are certain other inherent and obvious limitations which arise when an attempt is made to collect enough data to analyse the marketing-process in the SSI units in the industrial estates of Punjab. A large number of units in this sector are managed, for all practical purposes, by one person who is often not attuned to the culture of scientific management information systems, which alone can throw up sufficient data to enable an indepth study being made of the units. Moreover, the data has not been furnished to the Directorate of Industries, Punjab, through DIUs of the concerned areas 1979 and whatever data were available to me, were not sizable. Hence statistical information is not always available or uniformly available for all the industrial estates or the categories investigated. Thus, differences will sometimes be noticed even in the figures for the same year from different sources of data. But it is believed the broad trends would be more pertinent for the purpose of the study.

Again, much of the marketing terminology is new for most of the entrepreneurs. In such cases efforts were made to explain the terms in simple language but possibility of the communication gap cannot be ruled out in
certain cases where respondents might not have perceived the situation in its proper background. Though the data collection was completed by December 1983, in the tense situation prevailing particularly after Operation Blue Star in 1984, the further clarifications became a problem. Moreover, Punjab to-date continues to be a disturbed state where SSI units are limping, in spite of the hype for settlement of Punjab problem.

However, even with all the limitations I feel that the results of the study will be helpful in indicating the nature and size of the problems as it affects the small scale units in Punjab at the present stage of industrial development and also the areas in which more specific investigations could be undertaken.

It is hoped that the success of SSI units in Punjab in the years to come will largely depend not only in producing with the latest technology but simultaneously marketing them on scientific lines. Further, it is believed results of this study will adequately help the SSI owners/managers to meet the everchanging needs of markets in India and abroad as fully as possible.
## APPENDIX - 1

**_QUESTIONNAIRE_**

MARKETING MANAGEMENT IN SMALL SCALE UNITS LOCATED IN URBAN INDUSTRIAL ESTATES OF PUNJAB

### SECTION - 1

<table>
<thead>
<tr>
<th>1.1 INDUSTRIAL ESTATE/LOCATED :</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 NAME &amp; ADDRESS :</td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 1.3 INDUSTRY : | GEN. ENG. | ( ) |
|                | CHEMICAL, RUBBER, PVC | ( ) |
|                | TEXTILE, HAN LOOM | ( ) |
|                | ELECTRIC-ELECTRONIC | ( ) |
|                | MISC. (AGRO, FOOD) | ( ) |

| 1.4 TYPE OF UNIT : | ORDINARY | ( ) |
|                   | ANCILLARY | ( ) |

| 1.5 IF ANCILLARY, PERCENTAGE OF PRODUCTION SUPPLIED TO PARENT UNIT : | % |
|                                                                  |   |

| 1.6 LEGAL CONSTITUTION OF UNIT : | SOLE PROP. | ( ) |
|                                  | PARTNERSHIP | ( ) |
|                                  | FVT., LTD.CO. | ( ) |

| 1.7 TURNOVER DURING THE LAST FINANCIAL YEAR : | Lacs. |
|                                               |   |

| 1.8 NO. OF PERSONS EMPLOYED : | Nos. |
|                               |     |
2.1 WHAT PRIORITIES YOU HAVE WHILE SELECTING THE PRESENT LOCATION FOR YOUR UNIT (PLEASE RATE IN DESCENDING ORDER LIKE 1, 2, 3, ....)?

(i) Plot/shed/other facilities ( )
(ii) near to source of inputs ( )
(iii) cheaper plot/shed ( )
(iv) near to market ( )
(v) near to home-town ( )

2.2 WHAT WAS YOUR BASIS TO DECIDE ON YOUR PRESENT PRODUCT RANGE?

(i) Market intelligence ( )
(ii) Advice from friends & relatives ( )
(iii) Govt. incentives ( )
(iv) Assistance from the parent unit (if ancillary). ( )

2.3 ARE YOU AWARE OF PRODUCT LIFE CYCLE CONCEPT AND WHETHER CAN YOU IDENTIFY THE STAGE OF YOUR PRODUCT(S) IN PRODUCT LIFE CYCLE? Yes/No

(If yes details)

2.4 HOW DO YOU UNDERTAKE NEW PRODUCT DEVELOPMENT?

(i) Based on other products/samples from markets ( )
(ii) Own ideas ( )
2.5 DOES YOUR PRODUCT(S) CONFORM TO THE SPECIFIED STANDARDS (ISI)?

YES/NO

(a) If 'NO' why does it not conform to the standards?
   (i) lack of testing/inspection facilities ( )
   (ii) procedural delays ( )
   (iii) lack of technical staff ( )
   (iv) existing product can be sold easily. ( )

(b) If 'YES' please tell how standardisation helps in marketing.
   (i) it is a help in inspection and uniform product specifications ( )
   (ii) quality certification (ISI) helps in selling ( )
   (iii) Govt. purchases become easier ( )
   (iv) reliability ( )
   (v) return facilities are available ( )

2.6 WHAT ARE YOUR EFFORTS FOR QUALITY CONTROL OF THE PRODUCTS THROUGH

(i) built-in-inspection/quality control

(ii) proper testing equipment

(iii) quality raw material

(iv) others
3.1 What is the nature of your market

(i) Industrial ( ) (i) Urban ( )

(ii) Consumer ( ) (ii) Rural ( )

(iii) Both ( ) (iii) Both ( )

3.2 Is the market for your product available at

(A) 

(i) Local level ( ) (ii) State level ( )

(iii) National level ( ) (iv) International level ( )

(v) All levels ( )

If 'International level,' what percentage of total production you export?

(B) 

(i) Below 25% ( ) (ii) 25% - 50% ( )

(iii) 51% - 75% ( ) (iv) above 75% ( )

(v) NA.

3.3 Have you segmented your market?

YES/NO

3.4 If yes, please specify the basis of segmentation

(a) Consumer product

(i) Geography/area ( ) (i) End-uses ( )

(ii) Population ( ) (ii) Usage rate ( )

(iii) Income ( ) (iii) Location ( )

(iv) Sex ( ) (iv) Others ( )

(v) Education ( ) ---

(vi) Other ( ) ---

(b) Industrial product

---
4.1 DO PRICES OF YOUR PRODUCT(S) VARY WITH CUSTOMERS?

YES ( ) NO ( )

4.2 IN THE EVENT OF COST-ESCALATION IN RAW MATERIAL COSTS, DO YOUR PRODUCT PRICES REPAIR SAME? IF SO, FOR HOW LONG A PERIOD?

YES ( ) NO ( )

If yes, for ________ months.

4.3 HOW DO YOU DETERMINE YOUR PRICES?

1) cost-plus basis ( )
2) going rate pricing ( )
3) other ________

4.4 IF YOU PRICE ACCORDING TO MARKET CONDITIONS, HOW DO YOU COLLECT RELEVANT DATA FROM THE MARKET?

1) through dealers/agents ( )
2) through any other source ( )

4.5 GENERAL PRICE BEHAVIOUR OF YOUR PRODUCT IS

1) volatile ( )
2) stable ( )
3) cannot say ( )
SECTION - 5

5.1 WHAT IS YOUR CHANNEL OF DISTRIBUTION UP TO THE LEVEL OF BUYER?

CHANNEL NO. ________________

I) Manufacturer _______ buyer/consumer

II) Manufacturer _______ retailer _______ buyer/consumer

III) Manufacturer _______ wholesaler _______ retailer _______ buyer/consumer.

IV) Manufacturer _______ wholesaler _______ retailer _______ consumer/buyer.

V) Manufacturer _______ wholesaler _______ consumer.

5.2 WHAT IS YOUR SYSTEM OF APPOINTING DEALERS/DISTRIBUTORS OF YOUR PRODUCTS?

I) based on territory potential ( ) estimates.

II) based on party's strengths ( )

III) based on party's references ( )
## SECTION - 6

### 6.1 WHAT IS THE SALES-HISTORY OF YOUR PRODUCT(S) ?

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<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>______</td>
<td>______</td>
<td>______</td>
<td>______</td>
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<td>______</td>
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<tr>
<td>(ii)</td>
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<td>______</td>
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<td>(iii)</td>
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<td>______</td>
<td>______</td>
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</tr>
</tbody>
</table>

### 6.2 IS THE PRODUCT PERSONAL ?

**YES/NO**

### 6.3 HAVE YOU ANY SPECIFIC MARKETING DEPARTMENT IN YOUR FIRM ?

**YES/NO**

(a) If 'YES' what is its nature ?

1) sales ( )

2) advertising and ( )
   promotion

3) marketing research( )

(b) If 'NO' what are the reasons for not having a particular dept. ?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Sales</th>
<th>Research</th>
<th>Advertising</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) No scope for it (like in ancilliary)</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>2) this facility is availed from govt. agency</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>3) Entrepreneur attending to himself.</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
<td>( )</td>
</tr>
</tbody>
</table>
6.4 DO YOU HAVE COMPLETE KNOW-HOW AS IT RELATES TO SELLING YOUR PRODUCT?

YES/NO

PLEASE SPECIFY THE AREAS WHERE YOU NEED HELP:

1) training of salesman ( )
2) advertising ( )
3) marketing research ( )
4) export procedures ( )
5) availability of professionals ( )

6.5 WHAT IS THE SIZE OF TOTAL SALES-FORCE IN YOUR FIRM?

6.6 ARE YOU SATISFIED WITH THE SIZE OF SALES-FORCE IN YOUR FIRM?

YES/NO

If 'NO' why have you not recruited the required staff?

(i) because of high expenditure ( )
(ii) non availability of qualified staff.

6.7 WHAT IS THE SELECTION PROCEDURE FOR SALES-STAFF?

1) press advertisement ( )
2) existing members of the staff ( )
3) employment exchange ( )
4) friendly contacts ( )

(Please attach application blank, if any)
6.8 WHAT IS THE BASIS OF REMUNERATION/PAY TO THE
SALES FORCE?

(i) fixed ( )
(ii) fixed plus commission ( )
(iii) any other ( )

6.9 WOULD A COMMON MARKETING STRATEGY AND PROMOTION
A COMMON ORGANISATION FOR MARKETING PRODUCTS WILL
HELP?

YES/NO

6.10 SHOULD A MARKETING COMPANY AT STATE/CENTRAL
LEVEL BE ORGANISED?

YES/NO

6.11 DO YOU ADVERTISE YOUR PRODUCTS?

YES/NO

(a) if 'yes' which of the following is practiced?

1) outdoor advertising;
   ii) press advertising (newspaper, magazine etc.)
   iii) radio + TV + film

(b) if [no] what are the reasons for not advertising?

1) not required ( )
   ii) very expensive ( )
6.12 WHAT METHOD DO YOU ADOPT FOR SALES PROMOTION?

(a) Consumer/Customer sales promotion through

i) distribution of free samples

ii) free demonstration at retail shops

iii) free gifts

iv) 'price off.....'
   coupon printed on package

v) Exhibition-cum-Sales

vi) Others

(b) Dealers Sales Promotion through

i) Free display material
to retailers

ii) Trade discounts

iii) Training of retailer's
sales force

iv) special gift for an order

v) Others.

6.13 WHAT IS THE ESTIMATED COST, IF ANY, OF ADVERTISING AND SALES PROMOTION?
7.1 Please choose the code number for your reaction towards the following organisations for helping in marketing your product(s).

**CODE**

1. do not know the org.
2. have not come into its contact
3. not satisfied with services
4. satisfied with its services
5. highly satisfied.

**DOMESTIC MARKET**

<table>
<thead>
<tr>
<th>Domestic Market</th>
<th>Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Industries Service (SISI)</td>
<td>SISI ( )</td>
</tr>
<tr>
<td>National Small Industries Corporation (NSIC)</td>
<td>Chief Controller ( )</td>
</tr>
<tr>
<td>P.B. Small Ind. &amp; Export Corp.</td>
<td>Director of Export( )</td>
</tr>
<tr>
<td>P.B. Small Ind. &amp; Dev. Corp.</td>
<td>Export Promotion ( )</td>
</tr>
<tr>
<td>Fed. of Association of Small Industry of India.</td>
<td>STC ( )</td>
</tr>
<tr>
<td>All India Manufacturers Org.</td>
<td>Trade Fair Authority of India</td>
</tr>
<tr>
<td>D.O.I.</td>
<td>Other ( )</td>
</tr>
<tr>
<td>PFC</td>
<td></td>
</tr>
<tr>
<td>SUBO</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>
7.2 Which of the following factors you consider most while changing the marketing process?

1) technological advances ( )
2) changing fashion & taste of buyer ( )
3) consumerism ( )
4) purchasing power of buyer ( )
5) change in legal environment ( )
6) other ( )

7.3 Are you aware of the following legal aspects for marketing the goods?

1) MFR ( )
2) Sales of Goods Act ( )
3) Patents, Trade Marks, etc. ( )
4) IS specifications ( )
5) Other ( )

.....