CHAPTER VI

OBSTACLES IN THE PRACTICE OF SYMBIOTIC MARKETING

6.1 INTRODUCTION:

The changes in the product-market characteristics and also in the environmental factors, have multiplied the need for Symbiotic Marketing practices\(^1\). The strategy has been suggested as an alternative marketing service system, especially in the Indian context, since a long time\(^2\). This has been further reiterated by drawing similarities between the Indian and Italian Small Scale Sectors\(^3\). In spite of these efforts, the concept has failed to attract the entrepreneurs and has been incubating for a long time, especially in India. This status may be understood for the presence of certain hurdles or obstacles that hinder the propitious practice of the concept. Unless the reasons for their non-practice are observed with immediate attention, and pragmatic solutions are proposed, all other research efforts to study the operationalities of Symbiotic Marketing shall go vain. The present research attempts to study these obstacles and to suggest methodologies in overcoming

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the same. The current chapter discusses the results of the study in special regard to two aspects. First, the chapter presents a brief discussion on the questions and the answers given to these questions by the respondents. This is then followed by a discussion on other hurdles which have not been included in the survey. These are identified by the researcher during informal discussions with the respondents. The views are further emphasized by many an entrepreneur, who are or were holding positions in various associations of the Small Scale Sector.

For the ease of explanation, these obstacles are classified into two major groups, known as INTRA-ORGANISATIONAL and EXTRA-ORGANISATIONAL HURDLES. The important factors which are intended to be discussed in the study are exhibited in Figure 6.1. This is not an exclusive list of obstacles in the practice of Symbiotic Marketing, but the negative effects of these factors may pacify, if not demotivate, the prospective small entrepreneurs to adopt the strategy into their marketing activities.

6.2. INTRA-ORGANISATIONAL HURDLES:

The factors, on which individual firms can have complete control and can re-organise these factors according to their needs and necessities, are called Intra-organisational factors. For example, Professionalism,
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Figure 6.1
with which the business activities are performed, is an Intra-organizational factor, as none other than the top management can have a greater control over it. These Intra-organizational obstacles are further classified into two minor groups, *Perceptible hurdles* and *Imperceptible hurdles*.

6.2.1 **PERCEPTIBLE INTRA-ORGANIZATIONAL HURDLES**

The obstacles which are identified by the entrepreneurs and are perceived as real hurdles, constitute the first group known as *Perceptible Intra-organizational hurdles*. The three issues under this sub-head, as presented in Figure 6.1, are briefly discussed below.

It is observed through the pilot study that 'taking the lead in initiating the talks' is one of the major problems faced by the entrepreneurs. In other words, most of the Small businessmen hesitate to approach other unknown businessmen for cooperation. Thus, in the present study, this aspect is given attention and is studied separately. Similarly, the perceptions of the respondents towards various disadvantages of Symbiotic Marketing are also discussed here. Further, the reasons for which the Small Scale entrepreneurs have not adopted the strategy are also identified through the study.

6.2.1.1 **INITIATIVE FOR APPROACHING OTHER FIRM**

The respondents are requested to specify whether they would take initiative in approaching other firms for Marketing Symbiosis. The answers are noted on a nominal scale with three parameters. The
question is actually aimed at distinguishing the respondents who take initiative from those who do not. The first two responses, *YES* and *NO*, need no explanation. The third answer distinguishes the respondents who give an "yes" answer to the question, but still hesitate to approach the other firms which are unknown to the respondents. Taking initiative only while approaching other known businessmen, is almost same as not taking initiative in approaching unknown firms. So, in the final analysis, these firms are treated as not having initial drive. It is observed in the study that about fifteen respondents have not replied to the question. From among the remaining ninety six respondents, only twenty five entrepreneurs have expressed their inclination to take the beginning steps in negotiations. All the remaining seventy one respondents are considered as not preferring to take initiative. These include the eleven Small Scale entrepreneurs who said that they would take initial steps only when the other firms are known to them. These seventy one respondents are exposed to the next question, that ask them to identify the reasons for which they hesitate to approach the other unknown firms, directly without any mediator. The questionnaire identifies four possible reasons which are presented as multiple responses to the question. The respondents are also allowed to specify any other reason which is not mentioned in the alternatives. Only one respondent has pointed out a reason, which is almost a repetition of one of the four presented reasons. The respondents are requested
to give ranks to the four answers according to their order of importance. But, they are not compelled to give ranks to all the alternatives, rather they are allowed to rank only those reasons, which they feel, are responsible for their lack of initiative. The results of the study, in regard to this are presented in Table 6.1.

The table shows some minor differences in the number of respondents who have assigned First rank to each of the four specified reasons. But, these seeming differences are arising out of the sample selection procedures\(^1\). Thus, it may be concluded that almost equal number of Small Scale entrepreneurs perceive each of these four reasons as the most important factor for their not taking initiative in approaching other firms. The differences in the frequencies of respondents who have assigned Second, Third and Fourth ranks to these factors, are found to be statistically significant. However, no valid conclusion can be made on the relative influence of each of these reasons, as each of these are considered, to be the primary reason by almost an equal number of respondents. But, for an easy presentation of the results, the average rank scores for each of these reasons, are taken help of, which are also presented in Table 6.1. The average rank scores place the fourth reason, i.e. *business strategies of the respondent firms being exposed to outsiders*, on the top of the list, whereas, the

\(^1\) Calculated \(\chi^2 = 5.585\); Table \(\chi^2 = 7.815 \) (df = 3; \(\alpha = .05\))
Results on Reasons for not Willing to take Initiative in Approaching other firms

<table>
<thead>
<tr>
<th>SI No</th>
<th>REASON</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Total</th>
<th>Average Score</th>
<th>Rank Based on Average Score</th>
<th>$\chi^2$ Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>They may not accept our offer</td>
<td>20</td>
<td>39</td>
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<td>48</td>
<td>6</td>
<td>10</td>
<td>28</td>
<td>47.46</td>
</tr>
<tr>
<td>2</td>
<td>They may feel that we are</td>
<td>9</td>
<td>29</td>
<td>4</td>
<td>30</td>
<td>8</td>
<td>12</td>
<td>22</td>
<td>34.92</td>
</tr>
<tr>
<td></td>
<td>intruding into their business</td>
<td>24</td>
<td>14</td>
<td>24</td>
<td>38</td>
<td>22</td>
<td>34</td>
<td>8</td>
<td>12.70</td>
</tr>
<tr>
<td>3</td>
<td>If I approach first, the terms may</td>
<td>15</td>
<td>73</td>
<td>12</td>
<td>18</td>
<td>20</td>
<td>30</td>
<td>19</td>
<td>28.78</td>
</tr>
<tr>
<td></td>
<td>not be fully to my expectations</td>
<td>12</td>
<td>22</td>
<td>18</td>
<td>18</td>
<td>20</td>
<td>30</td>
<td>19</td>
<td>28.78</td>
</tr>
<tr>
<td>4</td>
<td>My business strategies may be</td>
<td>21</td>
<td>82</td>
<td>25</td>
<td>38</td>
<td>15</td>
<td>22</td>
<td>5</td>
<td>7.58</td>
</tr>
<tr>
<td></td>
<td>exposed</td>
<td>25</td>
<td>78</td>
<td>15</td>
<td>22</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td>7.58</td>
</tr>
</tbody>
</table>

Table 6.1

Source: Primary Data

* Not Significant at 3 degrees of Freedom and .05 Level of Significance

* Significant at 3 degrees of Freedom and .01 Level of Significance

* The Figures in the 5 columns, showing the percentages, add to '100'
feeling that *the other firms may not accept the offer* is pushed to the last position. The results are cross checked with the results presented in the earlier chapters of the thesis. It may be recalled that while discussing partner selection procedures, it is concluded that most of the Small Scale entrepreneurs would like to be approached directly, rather through a mutually known mediator. Further, it is also presented that majority of the Small Scale entrepreneurs evaluate the firms with equal care irrespective of how the other firm has approached the respondent firms. Thus, the opinion that their offer may be refused, is more of an apprehension prevalent among the Small Scale entrepreneurs. Further, in regard to the strategies being exposed also, as will be discussed later in the Chapter, the study carries out a contradicting fact. While identifying the reasons for not practicing Symbiotic Marketing, *possible outflow of confidential information through these agreements*, has not been identified as a crucial reason. This in other words means most of the entrepreneurs believe that not much of confidential and internal information will be leaked out through these agreements. These two contradicting conclusions only prove that the Small Scale entrepreneurs have not really been equipped with the knowledge of various operationalities of the concept. Though, it is largely true that the other firms will have access to the internal information, the extent or degree of such information is generally dependent on the behavior of the boundary persons, who interact with the personnel of the other firms.
6.2.1.2 DISADVANTAGES OF SYMBIOTIC MARKETING:

Symbiosis may not always be useful and beneficial to the participants. These resource exchange agreements may sometimes result in specified "negative synergies". These disadvantages may also influence the strategic planning activities. In other words, the negative synergies resulting from Symbiotic agreements may have effectual influence on the long-term plans of marketing, production and other functions. Thus, prior identification of these disadvantages or sources of negative synergies, would be useful to the entrepreneurs in successfully designing methodologies for controlling the effects of such negative synergies.

The present study, observes the perceptions of the Small Scale entrepreneurs in regard to the five different disadvantages observed. The ability of each of these to negatively affect the sales or profit of the organization, is also discussed along with the results presented. The five disadvantages are presented through five statements. The respondents are requested to specify whether they consider each of the five statements as a disadvantage of to Symbiotic Marketing practices. The responses are noted on a three point nominal scale with YES, NO and DON'T KNOW answer categories. The first problem presented in the questionnaire, is stated as "Symbiotic Marketing has the possibility of becoming a Marketing cartel". It may be recollected

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that Symbiotic Marketing is possible even among competitors. When competitors do arrive at an understanding, especially in activities like physical distribution, and pricing, the tendency to form into cartel will also be more. But, in practice, it may be difficult due to various external controls\(^1\). For example, when the industry is highly fragmented and the entry barriers are low, cartel formation will not be successful. Thus, cartel formation, especially in the two industries considered for the study, is extremely difficult for the high fragmentation of the industries. This is supported by the study results. Majority of the respondents (approximately fifty four per cent) have given a negative answer to this statement, meaning that Symbiotic Marketing does not provide scope for the growth of Marketing cartels. But, approximately thirty two per cent of respondents gave a positive answer stating that Symbiotic Marketing may result in Marketing cartels. The remaining fourteen per cent of the respondents have either not responded to the statement or said that they “Don’t Know”. The misperceptions prevailing among a considerable section of the Small Scale entrepreneurs must be immediately clarified so as to nullify their impact on hindering the practice of Symbiotic Marketing. It is true that all the partners may obtain equal levels of benefits in the Symbiotic agreements. Though, efforts are made to achieve parity in the benefits received by all the participants, during the initial phases, sometimes, it may so happen

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that a few changes in the future may shift the balance in favor of one of the participants and provide him more benefits. The Small Scale entrepreneurs should understand this and weigh the benefits against their expectations rather than comparing with those obtained by the partner firms. The study results are quite encouraging in this aspect. Approximately seventy two per cent of the respondents recognize this eventuality. This shows that wide majority of the Small Scale entrepreneurs would not consider the disparity in the volume of benefits accrued to the participating firms and try to rationalise their benefits against their expectations.

Spillover effects is another disadvantage presented in the study. It is stated as "Spillover effects of the partner's brand may sometimes negatively affect the sales of our (focus firm's) products". The study results are indecisive, as almost equal portions of the sample (approximately forty one per cent each) gave positive and negative answers, respectively. The remaining Eighteen per cent have either given "Don't Know" answer or "not responded" to the statement. Thus, the study presents a mixed opinion about the statement. This mixed opinion is not far from reality. Symbiotic Marketing may always have spillover effects, both the desirable positive effects and in few cases undesirable negative effects. It may be noted that the statement regards only to the negative effects. The present study has not further probed into the characteristics of the situations in which negative synergies are more probable. Thus,
further research is needed to assess the extent of the negative synergies and their impact on the success of the organization. Unless, the ambiguity, in this regard is clarified in the mind-sets of the Small Scale entrepreneurs, they may always carry a skeptical outlook towards the concept and may hesitate to adopt Symbiotic Marketing assuming high risks of these negative synergies.

The fourth and fifth disadvantages presented relates to the beliefs of the consumers. One of the marketing assets for any organization is Brand Loyalty, and this is more so for consumer products. Brand Loyalty assures the company of certain demand levels for their products. In other words, the consumers identify the product as the produce of a given organization and would find more value in the product than in the products of other competitors. Thus, organizational identity also plays a major role in the mind-sets of the consumers. Thus, when consumers evaluate the products, their knowledge about the characteristics of one product will be extended to the other product, when they identify the product as the produce of the same organization. Similarly, in Symbiotic Marketing also, when two organizations come together to jointly market their products, consumers may perceive the two organizations to be one group and start evaluating the second product with reference to the other product. This is what has been discussed in the positive and negative spillover effects. Further, when

the participating firms observe the positive effects being spilled over to their product, they might get attracted by the loyalty to the other firm, and start manufacturing the same product, transforming the partner-firm into a competitor. Though, this is possible in very few cases and in only those industries where brand loyalty is highly important, The statement is included to measure the general perception of the entrepreneurs. Specifically, it is stated as "Consumers may see the Symbiotic partners to be one group, whereby our partner (partnerfirm) may gain interest in our (focus firm's) product and become a competitor in future". Though majority of the respondents have said "NO" to the statement, considerable percentages (approximately thirty and twenty nine percent) of the respondents have given 'YES' and 'DON'T KNOW' answers. This again is an alarming aspect that the respondents perceive the possibility of the stated disadvantages.

The fifth disadvantage is stated as "Consumers belief of collusion among the manufacturers may negatively affect our (focus firm's) sales". The responses for this statement also are noted on a three point nominal scale with YES, NO and DON'T KNOW answers. Here also, majority of the respondents (approximately fifty nine per cent) do not perceive any such possibility of Sales being negatively affected by these symbiotic agreements. But, approximately twenty eight per cent of the respondents have no clear perception in this regard, and only approximately thirteen per cent perceive the possibility of sales
getting negatively affected by such perception of collusion among the manufacturers. In reality also there exists a scope for the consumers to perceive illegal collusion among the manufacturers. Once the consumers identify or perceive that they are being exploited, they develop a negative attitude towards the products of the manufacturers and the sales of both the products may considerably come down. The manufacturers cannot take the consumers for granted that they would accept products irrespective of how the products are offered. Thus, the responsibility of making the agreement more explicit and acknowledging a part of the additional benefits to the consumers through the joint marketing activities, lies with the manufacturers themselves and they cannot forget this responsibility.

6.2.1.3 REASONS FOR NOT PRACTICING SYMBIOTIC MARKETING:

The respondents of the pilot survey have identified various reasons for their not adopting the strategy of Marketing Symbiosis into their business activities. All these have been compiled into nine major reasons and are incorporated into the questionnaire for the final study. Care has been taken not to include the earlier discussed initiative and disadvantages into these reasons. So, no overlapping has occurred, making the three groups exclusive of each other. These three lists may constitute a comprehensive list of various perceptible intra-organisational reasons for which the concept has not been germinated properly.
Further, the respondents are allowed to identify other reasons which they feel are applicable in their respective cases. But, none of the respondents have identified any new reasons and most of them have said that the list is exclusive. Moreover, most of the respondents have not even referred to all the reasons stating that these are not applicable in their respective cases. The respondents are asked to give first rank to the most hindering factor, second rank to the next most hindering factor and so on, for all the applicable factors. The following discussion presents the reasons given in the questionnaire and the results in respect of each of these reasons. The nine reasons are presented in Table 6.2 with their respective final ranks based on the average rank scores. The lower the average score is, the higher is the rank for the reason. More specifically, the reason which has obtained the lowest score, is considered to be the most hindering factor and the reason which has obtained the highest average score, is considered to be least hindering factor. The results are discussed in three groups of reasons, based on their internal relationships.

The first group, which includes the reasons under serial numbers 1, 2 and 9 highlights the “lack of awareness”, of Symbiotic Marketing. The first two reasons i.e. never thought of sharing and no other firm has approached the focus firm for sharing, are direct reflections of the fact that the Small Scale entrepreneurs have not considered Symbiotic Marketing as a valid alternative strategy. It is clearly seen
**Results on Reasons for not practicing Symbiotic Marketing**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>RESPONSE STATEMENTS</th>
<th>Total Number of Responses</th>
<th>Average Rank Score</th>
<th>Final Rank based on Average Rank Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>We have never thought of sharing the Marketing Facilities</td>
<td>87</td>
<td>3.39</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>We don't need any more Marketing Facilities</td>
<td>63</td>
<td>4.14</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>The Marketing Facilities, we possess, are fully utilized</td>
<td>63</td>
<td>4.02</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>No firm has approached us for sharing the Marketing Facilities</td>
<td>82</td>
<td>4.01</td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>We are unable to find a suitable partner-firm for sharing</td>
<td>77</td>
<td>4.39</td>
<td>6</td>
</tr>
<tr>
<td>6.</td>
<td>Confidential information may be leaked out through such agreements</td>
<td>78</td>
<td>4.27</td>
<td>5</td>
</tr>
<tr>
<td>7.</td>
<td>It is difficult to obtain required marketing information through these agreements</td>
<td>71</td>
<td>5.37</td>
<td>8</td>
</tr>
<tr>
<td>8.</td>
<td>We feel that these sharing agreements will not bring any additional benefits</td>
<td>64</td>
<td>5.56</td>
<td>9</td>
</tr>
<tr>
<td>9.</td>
<td>We feel that we may lose control over our products or facilities</td>
<td>78</td>
<td>5.12</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 6.2

Source: Primary Data
from the table that these two reasons have obtained highest response in terms of the total number of responses. The second group includes only two reasons under the serial numbers 3 and 4. It is quite obvious from the statements that the acknowledging respondents have neither any excess capacities nor the need for new resources. But, the answers may develop skepticism among the readers, for the sector has not reached the ideal optimality in either utilization or possession of the resources. The results are partly true and needs a more explicit interpretation. It may be recollected that the Small Scale entrepreneurs consider only Physical Distribution, Distribution Channels and Brand Image as the most important resources of marketing. In other words, they perceive marketing as synonymous with only these activities. So, when the respondent firms are established for a long time and have equipped themselves with required resources for these activities, they consider themselves to be fully utilising the existing resources with no need for new or additional resources.

The third group includes the reasons under serial numbers 5, 6, 7 and 8. All the four reasons are related to the operationalities of the concept and denote possible consequent happenings through the practice of Symbiotic Marketing. The respondents have kept these apprehensions at the end of the list. In other words, most of the respondents do not believe in *either confidential information leaking out or losing control over their resources and/or products.*
Further, they are confident that the required marketing information can be obtained even through Symbiotic relationships. In fact, none of the respondents has assigned first rank to this reason, i.e. inability to procure the required marketing information through these agreements. The fourth reason in the group i.e. focus firm's inability in selecting a suitable partnerfirm, draws attention to the absence of a systematic approach in selecting a Symbiotic partnerfirm. This aspect is studied and a model is presented to aid the Small Scale entrepreneurs in selecting a more compatible partnerfirm.

6.2.2 IMPERCEPTIBLE INTRA-ORGANISATIONAL HURDLES:

The hurdles that are not observed by the respondents themselves, but are the requirements of Symbiotic Marketing and the absence of which may cause to undermine the applicability of the concept, are termed as Imperceptible Intra-organisational Hurdles. In the following paragraphs, two such hurdles are discussed.

6.2.2.1 PROFESSIONAL MANAGEMENT IN THE SECTOR:

The Government of India after Independence has identified the importance of and the need for a healthy and active Small Scale Sector in constructing a stable economy for the country. Thus, the Government has encouraged the entrepreneurial spirits by promoting different schemes
to assist the upcoming Small Scale entrepreneurs, in meeting their financial needs, in procuring raw materials at cheaper rates and also in providing markets for their products. Moreover, with the enthusiasm to encourage the sector, the Government did not ever insist on possessing minimum professional qualifications for starting-up a small scale manufacturing unit. So, the Indian Small Scale entrepreneurs were conducting their business with contingency and individual approaches of Management. Moreover, they remained mostly either production oriented or finance oriented in their conducting the business, as the Government has assured the market for their products through different schemes like Price Preferences, Government Stores Purchase Programmes, Tax exemption, and other similar benefits. Thus, they failed to comprehend the importance and role of marketing in a privatised market-oriented economy. Another major deficiency in the Small Scale Sector is the lack of desire for planning in their business activities. A major portion of the small entrepreneurs generally do not undertake any planning activity, even for shorter periods, i.e. for a period of less than one year. Moreover, they are not interested in evaluating their performance of even the immediate past. But, in turn they generally tend to attribute the fluctuations in their business to unknown and uncontrollable external forces and continue their operations in complete optimism. Through the survey of 111 small entrepreneurs in the states of Tamil Nadu and Andhra Pradesh, it is understood that most of these small manufacturers
never make a concerted effort to gather information about their competitors' marketing expenditure. Thus, when the small entrepreneurs conduct their business in such assumed isolation, their success may be thwarted, more easily in a competitive market-oriented economy, by the other players who are active and plan their operations through a systematic approach. Though, the present stature can’t be completely attributed to the small entrepreneurs’ inefficiency alone, their efforts to overcome the strategic hurdles, like time and cost factors involved in collecting the required information, their scope of operations, and their efforts to systematically plan their activities have been minimal and ineffectual. All these aspects added together, provide an opportunity to attribute unprofessionalism to the Small Scale entrepreneurs. The concept of Symbiotic Marketing requires the practitioners to perceive fraternity, at times, even among competitors serving the same markets. The cooperation among competitors would be beneficial to all the groups involved, i.e. the participating firms, the consumers and the nation at large, as long as it is limited to specific activities that generate highest synergy in their commingling. But, this is possible only when the entrepreneurs can understand the nature of different marketing activities and their relative utilities in enhancing their business efficiencies. Moreover, with the economy transforming into a more competitive private market, marketing plays a major role in the success of a business. It is mentioned in the fourth chapter that the Small Scale
entrepreneurs are identifying this factor and are trying to practice the marketing concept in its real sense. The average score of marketing as a function, on a five-point semantic type scale (1 = Lowest Importance . . . . . 5 = Highest Importance) for measuring the importance assigned to it, is 4.24, which is relatively higher than the average scores for Finance (4.14) and Production (4.03) functions. But, assigning highest importance and orienting their activities towards marketing would be just a hardcore requirement. This is to be supplemented by a professional planning activity with pragmatism. The small manufacturers have to plan their sales targets, the niches or market segments to be catered, the budgets for advertising, for other promotional activities and for programs like marketing research, new product innovations etc. This planning enables them to specify the activities and resources that can be performed or utilized more productively and efficiently. Simultaneously, it allows them to identify a more amenable partner firm when they opt for Symbiotic Marketing. In other words, they have to plan in which of the marketing activities they might need cooperation, when and in which markets they need such cooperation and with whom they can practice such cooperation with minimum conflicts. Thus, a professional approach in managing their business, enables them to appreciate Symbiotic Marketing Strategies and practice the same with assured success in their marketing endeavors.
6.2.2.2 PSYCHOLOGICAL ATTITUDES:

Another important precondition for the practice of Symbiotic Marketing is the presence of a positive attitude and cognizance of the small entrepreneurs towards their co-manufacturers. The enormous growth of the sector with high concentration, has generated destructive competition among themselves which resulted in unethical or unfair trade practices and undercutting. Two major forces responsible for the prevalence of the destructive competitive attitude may be identified. The first is the over ambitions of the small entrepreneurs to lead the entire market individually by wanting to eliminate the other competitors in the fray, which, in any way can't be achieved even either through unfair trade practices. The second force is the lack of major capital and other barriers for entry into or exit from the sector. In other words, entering into the Small Scale Sector or winding up a small scale unit is relatively easy and involves minimum time and cost factors. So, the already entered manufacturers try to construct the required barriers by presenting a thorny picture of the market through these unfair trade practices and demotivate the entry of new competitors into the field. But, with the economy changing, the consumer needs and demands changing, and the industrial scenario changing, the small manufacturers should also change their psychological attitude to keep the pace and grow with the economy. The small entrepreneurs should understand the gigantic size of the Indian markets, the increasing diversity in their
needs and necessities making it nothing less than impossibility to any one manufacturer to cater to all their needs and demands successfully. In other words, the presence of competitors is something that is controlled by the market itself and the already existing manufacturers will have very limited influential control over the entry or exit of others into/from the sector. They should perceive the competitors as a check on, rather than as a motivation for, the unfair trade practices of the firm. This does not mean a complete cooperation among the competitors to form unfair trade associations like cartels and price rings. It is only to insist on possessing a more positive approach in understanding the nature of competition and also to possess a fraternal feeling towards other manufacturers in the market by following a policy of 'live and let live'. This enables them to create and exploit innovative opportunities more efficiently and fight the multinationals from eating away their market shares, rather than destroying each other by paving a smooth path for bigger players. Moreover, it enables them to share specified marketing facilities or resources with firms that have different marketplace relationships for generating highest synergy in their activities and also for complementing each other's weaknesses with their respective strengths. The fraternal feeling will avoid unnecessary wastage of resources through repeated investments in developing underutilized facilities. This also will enable them to conceive the importance of interorganisational cooperation in marketing and thus develop their propensity for adopting the strategy.
6.3 EXTRA-ORGANISATIONAL HURDLES:

When the individual firms cannot have any influential control over the factors or when these are mainly controlled by an external agency like Government or the product market, they may be called as Extra Organisational Factors. The following discussion presents the two Extra-organisational factors as specified in Figure 6.1 that are hindering the practice of Symbiotic Marketing.

6.3.1 SALES TAX AND EXCISE DUTY STRUCTURES:

One of the major motives for unfair trade practices and tax evation among the small entrepreneurs is the high incidence of Sales Tax and Excise Duties. The existing high rates of Sales Tax and Excise Duties pay exorbitantly to those who evade taxes through under invoiced or un invoiced sales practices. These practices, in fact demotivate the fair businessmen who tend to pay taxes fully and promptly. Moreover, in the long-run such businessmen are forced to succumb to and involve themselves in such practices. Most of the small entrepreneurs express their inability to cope up with the destructive competition developed through such practices and argue that unless they also involve in such unfair trade activities, their very survival in the market will be threatened in an environment where it has become a generality rather than exception. Moreover, these practices largely manifested in the form of prevalent bribery and corruption among the Government officials, for protecting the defaulting small entrepreneurs. In most of the cases, the Government officials were compelled to accept the bribe against
their consent by the fear of political interference and other local forces. The existing slab systems of Sales Tax and Excise Duties are developed with a noble idea of widening the base of Small Scale Sector, which in turn can provide wider job opportunities. But, the advantages given for developing a healthy and active Small Scale Sector, are themselves transforming into the major demotivating factors for the new entrepreneurs to enter the sector and also for the existing small entrepreneurs to grow. The most popular growth pattern in the Small Scale Sector is to start a second unit, manufacturing with either the same brand name or a different brand name. But, even the second brand name is popularised in markets as the produce of the parent brand name, and marketed in geographically exclusive market segments to gain advantage over the local competitors. Another pattern is to lease out the production facilities on a disguised name, but perform the business activities on their own. All these practices do not allow the small entrepreneurs to perform the marketing activities in their real sense, to nurture a single brand for a long time and to enjoy the long-term benefits of developing brand loyalty. Moreover, the progressive tax rates system is more appropriate for an economy with an element of socialistic ideology. But, when the policy reforms give it the colour of a more private market-oriented competitive economy, the progressive tax rate system would be one of the major demotivating factors for the growth aspirants. The small entrepreneurs' claim that "they are
being penalised for growing” becomes valid in such a system. The increase of sales over a specified annual turnover requires them to pay very high amounts of different types of taxes and also exposes them to the harassment of the officials of different Government organisations. So, majority of the small entrepreneurs believe that the benefits they get do not equalise the extra risks they are to take when they grow big, and thus want to remain contented with their present status. So, the Government has to recognise the ill faces of the existing Sales Tax and Excise Duties systems and is required to develop a new tax system that encourages the entrepreneurial minds to grow big and big. The new system should penalise the defaulters and simultaneously provide incentives to the regular and prompt tax payers. Moreover, the tax base of the entrepreneurs may be widened by decreasing the applicable tax rates. All these would enable the Government to decrease the percentage of defaulters and also the expenditure for recovering such defaulted tax payments, which in turn can compensate a portion of the revenue-loss by way of decreasing the tax rates. Moreover, the fear of penalties shall demotivate them from either defaulting in tax payments or for involving in unfair trade practices. The new system may also suggest new modes for paying the taxes directly to the Government with little intervention from the Government officials. This shall be possible, when a very simple and uniform procedure for evaluating the tax liability of a firm, preferably by one central organisation
is adopted. The removal of these tax hurdles will enable the Small Scale entrepreneurs to expand their business operations and conduct their business with fairness. The mutual trust and confidence that may develop through fair and open business operations would make the small entrepreneurs appreciate the concept of Symbiotic Marketing and practice it with better confidence for success and for more mutual benefits.

6.3.2. GOVERNMENT SPONSORED SUPPORTIVE ORGANISATIONS:

The Central and State Governments have established different organisations like National Small Industries Corporation Limited, State Financial Corporations, Small Industries Service Institutes, Small Industries Research Institute and Small Industries Promotional Organisations for assisting the Small Scale entrepreneurs in setting up new units and for providing other supportive services to the existing units. The services provided by these organisations are highly appreciated by all the circles, and these organizations have been largely successful in implementing the plans of the Government for developing the sector.

These organizations have been concentrating mainly on providing assistance to new entrepreneurs by way of providing project reports, giving initial technical training, conducting entrepreneurship development programs, providing product testing and research facilities. These services were
the need of the day when the Government planned to improve the base of the small entrepreneurs. The recent policy reforms bring real competitive spirits into the Indian business environment. The situation is worse for the Small Scale Entrepreneurs who have been, till now, largely protected from facing competition in the marketplace. But, with the changing commercial environment, the Small Scale entrepreneurs are also shifting their concentration from Finance and/or Production to Marketing. In the light of these developments these Government organizations should also reframe their policies and reorganise their activities in accordance with changing needs of the small entrepreneurs. To be more specific, these organizations will require to narrow down their operations from general industry level to specific firm or product level. The organizations shall also make efforts in providing supportive assistance in successfully maintaining the existing units. In a highly competitive environment, information about the markets, their changing demands and potential, and the consumer profiles will be of immense use in developing the blue prints of a firm's marketing strategy. The small entrepreneurs are disabled to collect this information for the time, cost, scope and other considerations. So, these organizations should satisfy these information needs with firm-specific perspectives. They may also provide the knowledge of different implications based on the collected information. Moreover, such studies may be restricted to the geographical zones in which the considered firms are operating,
rather for the industry as a whole. This helps them in conducting an in depth study and to suggest the concerned small entrepreneurs, the appropriate methods of planning and strategy formulation. Similarly, these organizations may initiate research programs for improving the productivity and for more efficient utilisation of the available resources of varying nature, which can bring the small entrepreneurs a competitive advantage in their respective marketplaces. The availability of such information motivates the small entrepreneurs to chalk out their marketing and other strategies with more pragmatism and to bring professionalism. These professional planning spirits would allow them to comprehend the concept of Symbiotic Marketing, identify the pros and cons in respect of their product type and increase their propensity for adopting Marketing Symbiosis in their marketing activities.

6.4 CONCLUSION:

The sporadic use of Symbiotic Marketing strategies can be attributed to a few obstacles. These obstacles may be Intra-organizational, which the individual firms can manage and Extra-organizational, on which the external bodies like the Government, have control. Lack of initiative, awareness, need for additional resources and unutilized excess capacities in marketing resources, are the major Perceptible Intra-organizational obstructions. The absence of Professionalism and the traditional psychological attitudes of the Small Scale entrepreneurs
towards their co-manufacturers, are the major *imperceptible intra-organizational* hurdles. The existing Sales Tax and Excise Duty structures and the passive role of the Government sponsored supportive organizations like National Small Industries Corporation Limited, Small Industries Service Institute etc. in fostering Symbiotic agreements are the major *extra-organizational* hurdles in the practice of Symbiotic Marketing.