



Marketing of Small Scale Industries in Latur District: A Case Study

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Abstract

The Information Available From District Industries Centre, Latur District Is Used For The Present Study. A Sample Of 266 Small Industries Selected Among More Than 2000 Registered Units Under Specified type of industries. A Two Stage Stratified Simple Random Sampling Technique Will Be Adopted For Selection Of Samples. The Prime Intent Of The Present Paper Is To Study The Marketing Of Small Scale Industries From Latur District. Furthermore, The Study Emphasis On Year Wise Growth Of Small Scale Industries In Latur District And Identifies Problems And Opportunities faced by the entrepreneurs regarding Sound Marketing Practices. However, The Study Also Analyzes The Impact Of Market Orientation On Business Performance And Major Activity Wise Analysis Of Small Scale Industries In Latur District.

Key Words: - Marketing Management, Marketing Strategies, Marketing Research, Small Scale Industries, MSMEs

Introduction

The Ssi's Are The Lifeline Of The Economy, Especially In Developing Countries Like India. These Industries Are Generally Labour-Intensive, And Hence They Play An Important Role In The Creation Of Employment. Ssi's Are A Crucial Sector Of The Economy Both From A Financial And Social Point Of View, As They Help With The Per Capita Income And Resource Utilization In The Economy.

Small Scale Industries Occupy A Unique Place In The Economic Development Of A Country Like India Where Unemployment And Under-Employment Are Prevailing Economic Disease And Where Most Of The Entrepreneurs Are Capable Of Only Small Investment And Where There Is Dearth Of Sophisticated Machinery And Modern Technology. Small Scale Industries Are Not Only Labour-Intensive But Capital-Saving Also. These Are Quite Suitable For Semi-Urban And Rural Areas Where The Infrastructure Is Lacking. The Primary Object Of Developing Small Scale Industries In These Areas Is To Extend Job Opportunities, Raise Income And Standard Of Living And To Bring About A More Balanced And Integrated Rural Economic Development.

These Industries Are Particularly Suited For The Better Utilization Of The Locally Available Resources And For The Achievement Of Local Self-Sufficiency In Respect Of Certain Types Of Essential Consumer Goods.

Review of Literature

In The Present Study Researcher Scanned The Various Types Of Resources Like Reference Books, Research Articles, Online Theses, Relevant Journals / Periodicals, Published Unpublished Materials, Mse Annual Reports, Government Publications And The Relevant Web Sites For Considering The Review From The Past Studies. Thus, The Operational Definitions Of The Terms Used In The Study Have Discussed And Summarized Based On The Literature Search.

Definitional Analysis

The Definitions of the Concepts Appeared In The Title Of The Present Study Are As Under:

Marketing

Dr. Philip Kotler Defines Marketing As "The Science And Art Of Exploring, Creating, And Delivering Value To Satisfy The Needs Of A Target Market At A Profit. Marketing Identifies Unfulfilled Needs And Desires. It Defines Measures And Quantifies The Size Of The Identified Market And The Profit Potential. It Pinpoints Which Segments The Company Is Capable Of Serving Best And It Designs And Promotes The Appropriate Products And Services."

Small Scale Industries:

Small Scale Industries (Ssi) Is Those Industries In Which The Manufacturing, Production And Rendering Of Services Are Done On A Small Or Micro Scale. These Industries Make A One-Time Investment In Machinery, Plant, And Equipment, But It Does Not Exceed Rs.10 Crore And Annual Turnover Does Not Exceed Rs.50 Crore. Essentially

The Small Scale Industries Are Generally Comprised Of Those Industries Which Manufacture, Produce And Render Services With The Help Of Small Machines And Less Manpower. These Enterprises Must Fall Under The Guidelines, Set By The Government Of India.

Statement of the Problem

Thus, Statement Of The Problem For Present Study Is “Marketing Of Small Scale Industries In Latur District: A Case Study”

Limitations Of The Study

The Main Limitation Of The Study Is The Details Of Existing Small Scale Industries Are Confined To Latur District Only And Up To 2010 To 2020.

Objectives Of The Study

The Objective Of The Present Study Is To Analyze The Marketing Small Scale Industries In Latur District During 2010 To 2020. In Particular, The Study Focuses On The Following Objectives:

- To Study The Year Wise Growth Of Small Scale Industries In Latur District
- To Analyze The Existing Process Of Marketing Of Products Produced By Small Scale Industries In Latur District
- To Examine The Development And Investment Of Small Scale Industries
- To Understand Problems And Opportunities Of Small Scale Industries In Latur District.
- To Analyze The Impact Of Market Orientation On Their Business Performance

- To Suggest Better Ways And Means To Improve Production By Small Scale Industries In Latur District

Research Methodology

Data Will Be Collected From Both Primary And Secondary Sources.

• Primary Sources

The Primary Data Was Conducted Through The Recorded Annual Reports Of Small Industries In Latur District. The Information Available From District Industries Centre, Latur District Is Also Used. The Study Based On The Data Collected Through Questionnaire; As Well Informal Discussions Were Also Held At The Time Of Interview With Entrepreneurs.

• Secondary Sources

The Information Was Also Collected Through Various Books, Journals, Research Reports, Magazines, Manuals Etc. On Micro And Small Industries.

Data Analysis And Findings

The Primary Data Collected From The Sample Has Been Tabulated And Analyzed Using Ms-Excel. Various Statistical Techniques Like: Percentage, Average Rates, Mean Etc. Have Been Applied For Analysis And Interpretation Of Primary And Secondary Data. The Data Was Further Presented In The Form Of Tables, Figures And Graphs Using Pie Charts, Bar Charts, Line Charts Etc. As Per The Various Parameters.

Year Wise Growth of Small Scale Industries in Latur District

Table No. 1: Year Wise Growth

Sr. No.	Year of Establishment	Growth rate	Percentage
1	2020	11	4.13%
2	2019	61	22.94%
3	2018	90	33.83%
4	2017	16	6.01%
5	2016	15	5.64%
6	2015	16	6.01%
7	2014	18	6.77%
8	2013	7	2.63%
9	2012	10	3.76%
10	2011	12	4.52%
11	2010	10	3.76%
TOTAL		266	100%

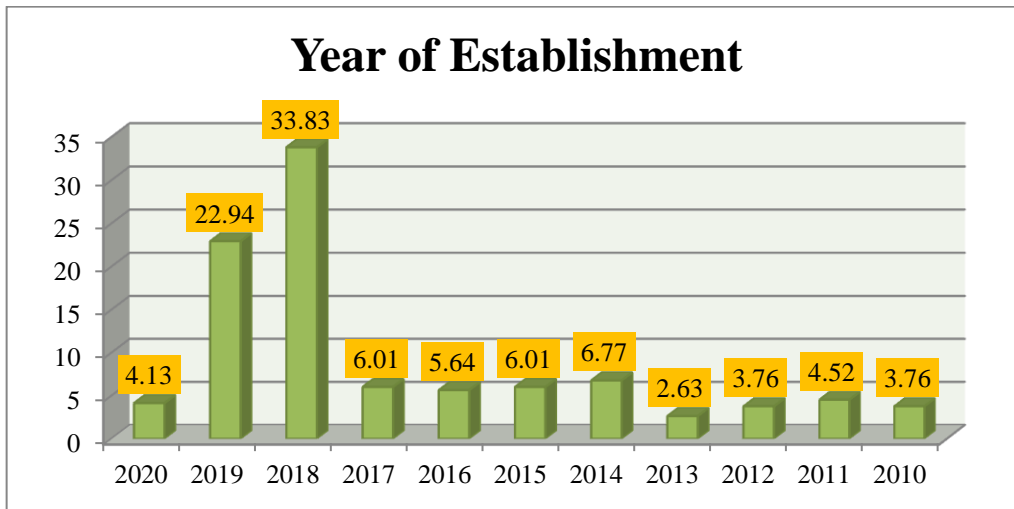


Figure No. 1: Year wise Growth

It is observed from table no. 1 and figure no. 1 that majority i.e. 33.83% of small scale industries established in the year 2018 followed by 22.75% of was established in 2019. Whereas, 6.77% sample units established in 2014, followed by 6.01% in

2017 and 2015, less number i.e. 2.63% of SSIs established in 2013. This table and graph shows the Yearwise growth of Small scale industries in Latur district.

Development and Investment Cost in Lakhs

Table No. 2: Investment Cost in Lakhs

Sr. No.	Range of Investment	Investment Cost in Lakhs	Percentage
1	11-20 Lakhs	63	23.7%
2	21-30 Lakhs	48	18.04%
3	31-40 Lakhs	24	9.02%
4	41-50 Lakhs	41	15.41%
5	51-60 Lakhs	13	4.89%
6	61-70 Lakhs	5	1.87%
7	71-80 Lakhs	13	4.89%
8	81-90 Lakhs	3	1.12%
9	91-100 Lakhs	10	3.76%
10	Above 100 Lakhs	46	17.3%
TOTAL		266	100%

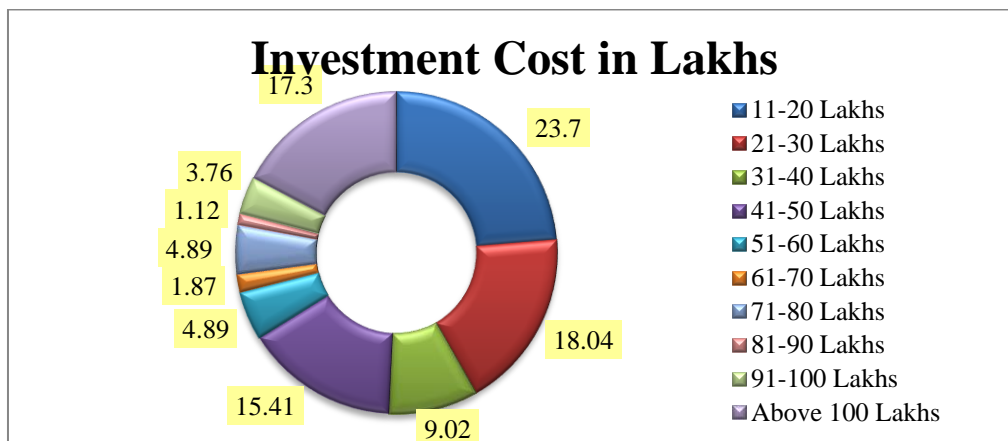


Figure No. 2: Investment Cost in Lakhs

It is revealed from table no. 2 and figure no. 2 that majority of 23.7% sample units in Latur district invested in small scale industries range from 11- 20 lakhs followed by 18.04% invested between

21-30 lakhs and 15.41% ranges from 41-50 lakhs. It was also observed that 17.3% sample units invested more than 100 lakhs and very less number i.e. 1.87% invested range from 61-70 lakhs.

Major activity wise analysis of Small Scale Industries

Table No. 3: Major activity wise analysis

Sr. No.	Type of activity	Total Industries	Percentage
1	Manufacturing activity	151	56.77%
2	Services	115	43.23%
TOTAL		266	100%

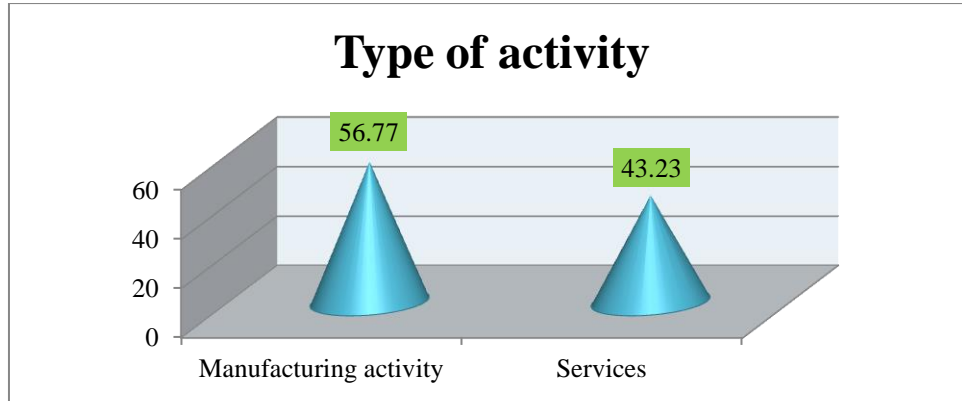


Figure No. 3: Major activity wise analysis

The analysis from table no. 3 and figure no. 3 found that majority 56.77% sample units engaged in Manufacturing activity followed by 43.23% in Services based activities of Small scale industries in Latur district. It was also observed that majority

sample units has adopted the latest technology and regularly updated the marketing plans for selling of their products and reached to customer satisfaction level.

Problems and Opportunities of Small Scale Industries

Table No. 4: Problems and Opportunities of SSIs

Sr. No.	Problems and Opportunities of SSIs	Response	Percentage
1	Cut-throat Competition	178	66.91%
2	Hurdles in Physical distribution	95	35.71%
3	Recession in Economy	147	55.26%
4	Absence of Marketing research	77	28.94%
5	Absence of Research & Development facilities	49	18.42%
6	Estimation of demand and supply	121	45.48%
7	Lack of technology support	69	25.93%

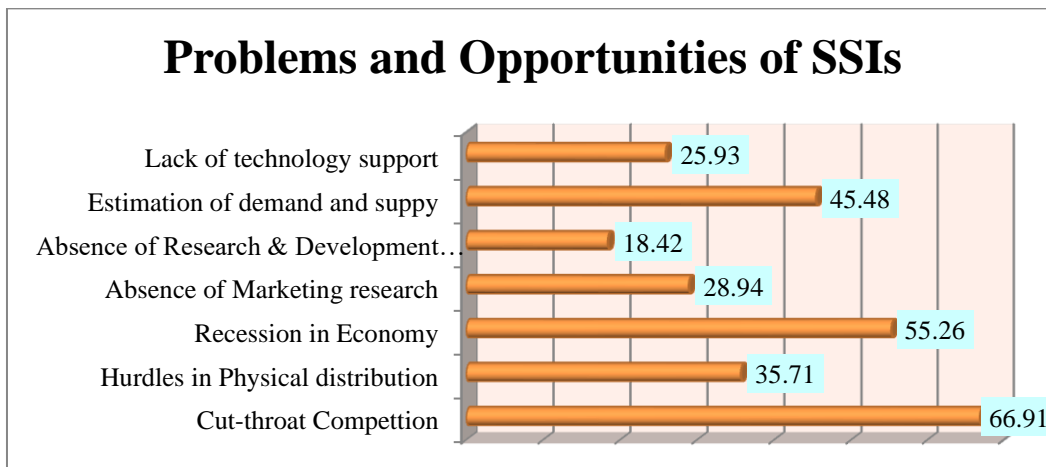


Figure No. 4: Problems and Opportunities of SSIs

It is seen from table no. 4 and figure no. 4 that 66.91% of the sample units have faced heavy trouble regarding Cut-throat competition followed by 55.26% sample units going in trouble due to recession in Economy. Furthermore, 45.48% sample units having problem in Estimation of demand supply followed by 35.71% facing hurdles in

physical distribution and 28.94% sample units having barrier in absence of marketing research. Lack of technology support has response of 59.77% followed by 25.93%. It was concluded that competition and defective pricing policy was the main hurdle in marketing of products produced by small scale industries.

Impact of Market Orientation on business performance

Table No. 5: Impact of Market Orientation

Sr. No.	Impact of Market orientation	Response	Percentage
1	Marketing by dealers and distributors	158	59.39%
2	Availability of Raw material	197	74.06%
3	Pricing strategy	96	36.09%
4	Promotional impact	87	32.70%
5	Advertisement through media	112	42.10%
6	Availability of trained and skilled personnel	142	53.38%

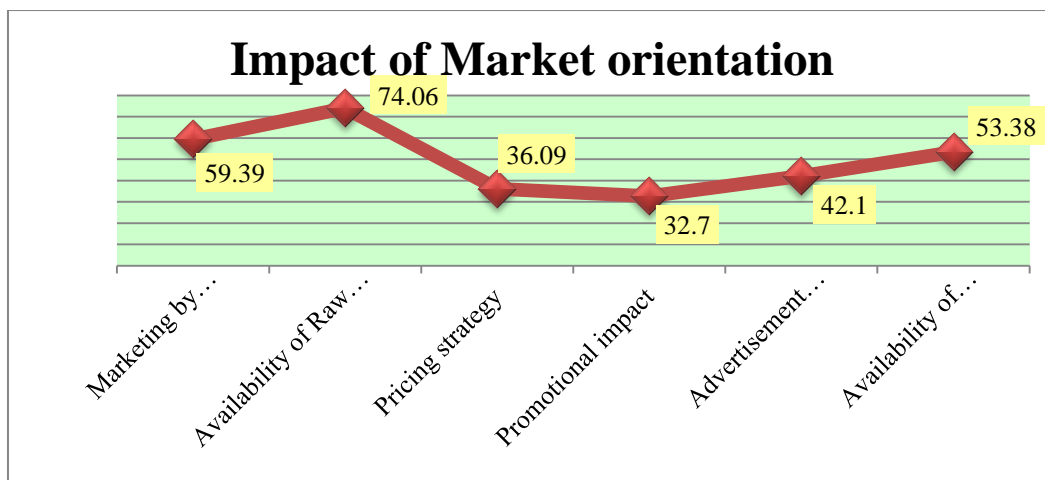


Figure No. 5: Impact Of Market Orientation

It Is Seen From tAble No. 5 And Figure No. 5 That 74.06% Sample Units Explored That Availability Of Raw Material Has The Largest Impact Of Market Orientation And Business Performance Followed By 59.39% In View Of Marketing By Dealers And Distribution Of Products. 53.38% Sample Units Agreed Availability Of Trained And Skilled Personnel And 36.09% Sample Units Observed Pricing Strategy Also Plays A Vital Impact On Market Orientation. Whereas, 42.10% sample units make use of advertisement through media to market their products followed 32.70% in view of Promotional Impact offered was the best marketing mix strategy.

Conclusion

Indian Market Is Growing Rapidly And Indian Entrepreneurs Are Making Remarkable Progress In Various Industries Like Manufacturing, Precision Engineering Design, Food Processing, Pharmaceutical, Textile & Garments, Retail, IT And ITES, Agro And Service Sector. Various Marketing Mix Strategies Were Useful To Increase The Productivity And Effectively Selling Of The Products To Their Customers. Efficient And Sound

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Marketing Practices Result In Getting Remunerative Price For Its Products/Products Tending To Profitability. In The Absence Of Efficient Marketing Practices, The Commercial Viability Of Ssis May Fall In Danger Leading To Sickness. Creating And Maintaining Customer Relationships Was Seen As The Second Most Important Task Of Marketing.

An Empirical Study Conducted In Small Industries In Latur District Enrich The Information Base And Government To Boost The Financial Base Because Small Scale Industries Are An Integral Part Of The Industrial Background Of The Country And Employment Generator Segment Of The Economy. Furthermore, Findings Suggest That Entrepreneurs Should Upgrade Their Information Base To Evoke Stream Of Consciousness And Tested Through Exploratory Factor Analysis And One Sample T-Test. The Research Finding Implies That There Is A Communication Gap Between Consumers And Entrepreneurs. The Study Yields The Implications For The Services Provider.

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