



**MARKETING PROBLEMS FACED BY THE SMALL FOOD PRODUCTS ENTERPRISES IN
ERNAKULUM, KERALA – EMPIRICAL STUDY**

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ABSTRACT

Small-scale industries (SSIs) have been playing an important role in the overall economic development of a country like India, where millions of people are unemployed or underemployed. Poverty has become the most important problem for our country today. The small and medium industrial sector, which plays a pivotal role in the Indian economy in terms of employment and growth, has recorded a high rate of growth since independence in spite of stiff competition from the large sector and not so-encouraging support from the Government. Objectives of the study, To study the marketing problems faced by the small scale food products enterprises select sample respondents in study area. Methodology of the study, The pilot study was conducted for a period of three months with 50 respondents in the district considered for the study. Garrett ranking techniques was used in this study. Convenience sampling method has adopted in this study. Secondary data have been collected through websites, journals, books, magazines etc. Interview schedule have been prepared for conducting survey for the present study. Suggested this study, It is well known that small scale food industries are mostly sole traders or partnership and professional marketing is often not practised in such units.

Keywords:., Garrett ranking techniques, Competition, intermediaries etc.,

I.1 INTRODUCTION

Small-scale industries (SSIs) have been playing an important role in the overall economic development of a country like India, where millions of people are unemployed or underemployed. Poverty has become the most important problem for our country today. SSIs play an important role in minimising these problems through dividing employment with lower investment. Industrialisation is essential for rural areas because majority of the population lives there. If industrialisation is started from villages then the impact of development is enormous. The economic development of any country primarily depends upon the establishment of industries. SSI sector comprises 95 per cent of the total industrial units in the country.

The Indian government has given due importance to SSIs in the five-year plans because of their immense advantages. All five-year plans have stressed the need to develop SSIs in India. Today, the status of SSI is better than the past years. Five-year plan outlays to small sector industries increased to `104,300 million in eleventh five-year plan (2007-12) from ` 52 million in first five-year plan (1951-56) indicating the increased importance assigned to this sector. The Eleventh Five Year Plan of Kerala has given clear indication on the path of industrial development to be pursued in the State. The idea behind this is our belief that “the government must be directly engaged through larger plans, through appropriate policies and through innovation of appropriate organizational forms in the primary, traditional and social sectors”. Following this, the government has been engaged in various sectors such as industry, information and communication technology, biotechnology and commercial segments of the tertiary sector. We have succeeded in creating the right environment for the flow of private capital in to these sectors. Kerala has now become an attractive investment destination. Village and traditional industries have been revived and rejuvenated for healthy growth thereby bringing substantial relief to lakhs of workers depending on them for their living. Medium and large industry sector have also seen substantial hike in public investment and with its help the KSIDC and KINFRA have initiated the setting up of a few mega projects.

I.2 STATEMENT OF THE PROBLEM

The small and medium industrial sector, which plays a pivotal role in the Indian economy in terms of employment and growth, has recorded a high rate of growth since independence in spite of stiff competition from the large sector and not so-encouraging support from the Government. Now it is facing so many problems from the Government and other sources, so this study thoroughly analysis the performance of small and medium industries and its impediments for growth. Various problems associated with marketing of food products Small Scale Sector enterprises. For this purpose the researcher has taken this study.

I.3 OBJECTIVES OF THE STUDY

1. To study the marketing problems faced by the small scale food products enterprises select sample respondents in study area.
2. To offer suitable suggestions to avoid marketing problems in small scale food products enterprises in study area.

I.4 RESEARCH METHODOLOGY

A research design is a logical and systematic plan prepared for directing a research study. It specifies the objectives of the study, the methodology and techniques to be adopted for achieving the objectives. Primary as well as secondary data have been collected for this study. Here, pilot study was conducted to find out the feasibility of the research work. The pilot study was conducted for a period of three months with 50 respondents in the district considered for the study. Garrett ranking techniques was used in this study. Convenience sampling method has adopted in this study. secondary data have been

collected through websites, journals, books, magazines etc. Interview schedule have been prepared for conducting survey for the present study. Suggested this study,

I.5 ANALYSIS AND INTERPRETRATION

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TABLE NO.1

Sl.No	Factors	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
	Score	84	74	67	62	58	54	50	46	42	38	33	26	16	
1	X	28	3	11	7	1	0	0	0	0	0	0	0	0	50
	FX	2352	222	737	434	58	0	0	0	0	0	0	0	0	3803
2	X	1	2	13	0	2	7	10	1	1	8	5	0	0	50
	FX	84	148	871	0	116	378	500	46	42	304	165	0	0	2654
3	X	4	1	0	4	24	3	5	0	8	1	0	0	0	50
	FX	336	74	0	248	1392	162	250	0	336	38	0	0	0	2836
4	X	0	1	5	14	6	15	1	8	0	0	0	0	0	50
	FX	0	74	335	868	348	810	50	368	0	0	0	0	0	2853
5	X	9	19	11	1	4	6	0	0	0	0	0	0	0	50
	FX	756	1406	737	62	232	324	0	0	0	0	0	0	0	3517
6	X	7	19	18	1	0	0	5	0	0	0	0	0	0	50
	FX	588	1406	1206	62	0	0	250	0	0	0	0	0	0	3512
7	X	1	7	3	1	8	10	17	2	0	0	0	0	1	50
	FX	84	518	201	62	464	540	850	92	0	0	0	0	16	2827
8	X	0	0	0	8	1	0	0	4	7	18	1	10	1	50
	FX	0	0	0	496	58	0	0	184	294	684	33	260	16	2025
9	X	0	0	0	0	0	0	8	1	2	7	3	5	24	50
	FX	0	0	0	0	0	0	400	46	84	266	99	130	384	1409
10	X	0	0	0	0	0	0	0	5	1	6	15	17	6	50
	FX	0	0	0	0	0	0	0	230	42	228	495	442	96	1533
11	X	0	0	0	0	0	0	1	14	8	1	12	13	1	50
	FX	0	0	0	0	0	0	50	644	336	38	396	338	16	1818
12	X	2	0	0	1	4	9	2	15	1	2	12	1	3	52
	FX	168	0	0	62	232	486	100	690	42	76	396	26	48	2326
13	X	0	0	0	0	0	0	1	0	22	7	2	4	14	50
	FX	0	0	0	0	0	0	50	0	924	266	66	104	224	1634

SOURCE: PRIMARY DATA.

TABLE NO.2
MARKETING PROBLEMS FACED BY THE SMALL ENTERPRISE

SI No	Problems	Total Score	Mean score	Rank
1	Heavy Competition	3803	76.06	I
2	Problem with marketing intermediaries	3517	70.34	II
3	Lack of finance for marketing	3512	70.24	III
4	Problem with order processing	2853	57.06	IV
5	Lack of efficient marketing personnel	2836	56.72	V
6	Delayed Payments	2827	56.54	VI
7	Lack of required marketing personnel	2654	53.08	VII
8	Poor Demand for Products	2326	46.52	VIII
9	Poor Marketing technology	2025	40.5	IX
10	Unware of consumer preference	1818	36.36	X
11	Poor Communication	1634	32.68	XI
12	No brand Name	1533	30.66	XII
13	Poor packaging	1409	28.18	XIII

Source: Primary Data

Table reveals the marketing problems faced by small enterprises. “Heavy Competition” was ranked first by the selected sample respondents with the total score of 3803 and mean score of 76.06. “Problem with marketing intermediaries” was ranked second with the total score of 3517 and mean score of 70.34. “Lack of finance for marketing” occupied third and fourth position “Problem with order processing” with the total score of 3512 and 2853 and mean score of 70.24 and 57.06 respectively. “Lack of efficient marketing personnel” was ranked fifth with the total score of 2836 and mean score of 56.72. “Delayed Payments” occupied sixth position with the total score of 2827 and mean score of 56.54. “Lack of required marketing personnel” occupied seventh and “Poor Demand for Products” eighth position with the total score of 2654 and 2326 and mean score of 53.08 and 46.52 respectively. “Poor Marketing technology” was ranked ninth with the total score of 2025 and mean score of 40.50. “Unware of consumer preference” occupied tenth position with the total score of 1818 and mean score of 36.36. “Poor Communication” occupied eleventh position with the total score of 1634 and mean score of 32.68. “No brand Name” occupied twelfth position with the total score of 1533 and mean score of 30.66. “Poor packaging” occupied last position with the total score of 1409 and mean score of 28.18. It is evident that most of the respondents faced marketing problem of Heavy Competition.

I.6 LIMITATIONS OF THE STUDY

The data for the present study were collected through personal interview method. Since, the small scale units are not fully organised ones, many of them did not maintain proper accounts and most of them uneducated, the possibility of data bias exists and hence the data collected would only be an approximation of actual facts. The study mainly focuses only on four food product category only. So, the results may not reflect the entire district as a whole.

I.7 SUGGESTIONS OF THE STUDY

1. It is well known that small scale food industries are mostly sole traders or partnership and professional marketing is often not practised in such units.
2. Small scale food industries have also realised the need for scientific marketing methods and have therefore organised their own marketing networks on local or regional or state have a national network and a chain of distributors and retailers.
3. Some of the large marketing organisations have also been helpful in undertaking the field of the products of small scale food industries mostly in the field of marketing activities.
4. Small scale food products industries in learning marketing techniques from their large scale partners.
5. A view is often expressed that marketing is purely an entrepreneurial function and the government should only provide necessary training and other facilities with the financing institutions providing necessary financial help in initiating market surveys and other allied marketing activities.

I.8 CONCLUSION OF THE STUDY

It may also be stated that the Government has been quite responsive to the marketing needs of small scale entrepreneurs producing a variety of items and has reserved over 800 items to be procured exclusively from small scale sector under the Central Government Store Purchase Programme implemented by the DICs. In addition, instructions have been issued to the public sector enterprises and purchasing organisations of the Central Government to provide price preference to the products of the small scale industries, wherever they compete with large scale manufacturers against tenders floated by the purchasing organisations. While the above measures are indeed helpful in providing some sort of marketing assurance to small scale food industries, this meets only a small part of small industries production. For a bulk initiative, drive and innovations. It is here that training programme in modern methods of marketing will be helpful to small industries in upgrading their marketing technology on modern lines.

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