



A Study On Marketing Problems Of SSI Of Tiruchirappalli District

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Introduction:

Small scale enterprises have been given an significant place in the Indian economic planning both for economic, Political and ideological reasons. This sector is recognized as a device for social transformation, development of employment opportunities, providing entrepreneurship opportunities and securing dispersal of industries. Small- and large-scale enterprises are the back bone of the industrialization process of a country. Therefore, wherever importance is given for industrialization, the existence of small-scale units could be seen. Another weighty contribution of this sector to the society is in providing a wide range of choice and high standard of personal service to the consumers. Interest in the development of Small-Scale Industries (SSI) was come only when it was realized that the development of large-scale industries in India was a difficult task and also it was realized that SSI is backbone of large-scale industries.

Meaning of SSI:

“Small Scale Industries (SSI) are industries that manufacture, produce and render services on a small or micro scale level. In India, several SSIs exists in various fields such as handicrafts, toys, weaving, pickle making, food products, etc. 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”.¹

Statement of the problem of the study:

The SSI has been nurtured by the Central and the State Governments through various supportive and protective measures. Consequently, the sector has grown impressively and it occupies a special place in the industrial structure of India. Today the SSI sector has been exposed to intensive local as well as global competition. To meet the global competition, the SSI should employ an efficient marketing strategy. The purpose of production is served only when the products are successfully marketed. The marketing is the process through which the products produced by the manufactures are brought to meet the changing needs of consumers. The objects of any business could be achieved only through a series of actions taken by the entrepreneur to market his products. The growth of any business much depends upon how efficiency they solve their marketing problems. Therefore, an attempt is made in this research to study and to highlight the important marketing

¹ <https://cleartax.in/s/small-scale-industries-ssi>

problems faced by the SSI Units in the Tiruchirappalli District. The primary purpose of this study is identifying of marketing problems in SSI units in Tiruchirappalli District.

Methodology:

The present study is mainly based on the survey method. Both primary and secondary data have been used for this study. Data relating to the marketing problems of SSI units were collected from the owners of the SSI units with the help of Interview schedule. As the Tiruchirappalli district is located in the right center of Tamil Nadu and the people of the district depends mainly agricultural and small scale industries for their livelihood, the district has been selected for the study. As number of SSI units in Tiruchirappalli district was not able to obtain, the researcher has used convenient sampling method for the study. There are three sectors have been selected for the study, namely, Agro based units, Chemical based units and Engineering based units. 10 units from each sector have been taken as sample. Hence, the total number of sample units taken for the study is 30 units. To rank the marketing problems of SSI units of Tiruchirappalli, the researcher has employed the Garratt Mean Score.

Marketing problems of SSI Units:

It was observed during the field visit that lack of storage facility, lack of transport facility, competition, frequent price fluctuation, lack of finance, lack of market information, delay in collection from debtors and problems of middlemen were the threatening marketing problems of SSI Units.

For this purpose, the responses given by individual units in connection with a host of marketing problems according to their order of priority, were grouped industry-wise, ranks assigned and the results are presented in Table. 1.1

1.1 Marketing Problems of Agro-based Units

Table 1.1

Marketing Problems of Agro-based Units

Sl. No.	Problems	Garrett Mean Score	Rank
1.	Lack of storage facility	46.50	V
2.	Lack of transport facility	37.25	VII
3.	Competition	68.27	I
4.	Frequent price fluctuation	61.92	II
5.	Lack of finance	49.67	IV
6.	Lack of market information	42.50	VI
7.	Delay in collection from debtors	61.42	III
8.	Problems of middlemen	32.08	VIII

Source: Primary Data

Table 1.1 shows that competition was the most formidable problems of units belonging to agro-based industries. The problems that were ranked second, third, fourth and so on were price fluctuation, delay in collection from debtors, lack of finance, storage facility, market information and lack of transport facility respectively. The factor that was the least significant was the problem of middlemen among agro-based units.

1.2 Marketing problems of Chemical based units

The responses given by all the 10 sample units that belong to chemical-based industries are grouped and ranked and are presented in Table 1.2

Table 1.2

Marketing Problems of Chemical based Units

Sl. No.	Problems	Garrett Mean Score	Rank
1.	Lack of storage facility	44.33	IV
2.	Lack of transport facility	43.67	V
3.	Competition	73.78	I
4.	Frequent price fluctuation	57.78	III
5.	Lack of finance	65.67	II
6.	Lack of market information	36.56	VI
7.	Delay in collection from debtors	36.56	VI
8.	Problems of middlemen	24.47	VII

Source: Primary Data

Table 1.2 reveals that competition was the most important problem with a mean score of 73.78, followed by lack of finance, price fluctuation, lack of storage facility and lack of transport facility with mean scores of 65.67, 57.78, 44.33 and 43.67 respectively. Both Lack of market information and delay in collection from debtors have shared sixth rank with mean score of 36.56 each. Here again problems of middlemen was considered the least important factor.

1.3 Marketing Problems of Engineering and Allied Units

The ranks obtained by all 10 units falling under engineering and allied units according to mean score computed are presented in Table 1.3.

Table 1.3

Marketing Problems of Engineering and Allied Units

Sl. No.	Problems	Garrett Mean Score	Rank
1.	Lack of storage facility	41.00	VI
2.	Lack of transport facility	44.75	V
3.	Competition	77.00	I
4.	Frequent price fluctuation	58.50	III
5.	Lack of finance	59.00	II
6.	Lack of market information	39.75	VII
7.	Delay in collection from debtors	50.00	IV
8.	Problems of middlemen	30.00	VIII

Source: Primary Data

Table 1.3 exhibits that Garrett mean score of 77.00, the highest among all, has been given to the factor competition by engineering and allied units. This, once again reaffirms its significance. Lack of finance, price fluctuation, delay in collection from debtors, lack of transportation, storage facility and lack of market information were the other problems according to their order of priority whose mean scores were 59.00, 58.50, 50.00, 44.75, 41.00 and 39.75 respectively. Problems of middlemen with mean scores of 30.00 is considered to be the least important marketing problems.

Findings, Suggestions and Conclusions:

It is observed that competition was the most dominant problems of all the units under the study from the marketing point of view. As SSI units are backbone of industrialization and economic development, the interest of SSI needs to be protected. The purpose of SSI could be achieved through employment of a perfect marketing strategies. Hence, the both Central and State governments should give adequate training on marketing to the owners of the SSI units in Tiruchirappalli District. To protect the SSI units from the competitions, both central and state governments may focus on the price subsidy, minimum supporting price, restrictions on imports particularly from China.

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