# MARKETING ORIENTATION OF SMALL FIRMS – A STUDY WITH REFERENCE TO TRIVANDRUM DISTRICT

*Thesis Submitted to*

**COCHIN UNIVERSITY OF SCIENCE AND TECHNOLOGY**
**FOR THE AWARD OF THE DEGREE OF**
**DOCTOR OF PHILOSOPHY**
**UNDER THE FACULTY OF SOCIAL SCIENCES**

By

**SALIM.M.H.**

UNDER THE SUPERVISION
OF
**Dr.N. CHANDRASEKHARAN PILLAI**
**PROFESSOR**

SCHOOL OF MANAGEMENT STUDIES
COCHIN UNIVERSITY OF SCIENCE AND TECHNOLOGY
COCHIN – 682 002, KERALA.
1998

## CERTIFICATE

Certified that the thesis "**MARKETING ORIENTATION OF SMALL FIRMS - A STUDY WITH REFERENCE TO TRIVANDRUM DISTRICT**" is the record of bonafide research carried out by **SALIM.M.H** under my supervision. The thesis is worth submitting for the degree of Doctor of Philosophy under the faculty of Social Sciences.

**Dr. N.Chandrasekharan Pillai**
Professor(Retd)
School of Management Studies
Cochin University of Science & Technology
Cochin 682 022

Cochin

12 7 1998

## DECLARATION

*I declare that this thesis is the record of bonafide research work carried out by me under the supervision of Dr.N.Chandrasekharan Pillai, Professor(Retd), School of Management Studies, Cochin University of Science and Technology, Cochin 682022, I further declare that this thesis has not previously formed the basis for the award of any degree, diploma, associateship, fellowship or other similar title or recognition.*

Cochin
12-7-1998

SALIM.M.H

## ACKNOWLEDGEMENT

It has been a rare privilege and honour for me to have worked under Dr.N.Chandrasekharan Pillai, Professor, School of Management Studies. I express my heartfelt gratitude and indebtedness to Dr.Pillai for his careful guidance, help and unfailing support throughout the investigation and in the preparation of the thesis.

I am highly grateful to Dr.K.C.Sankara Narayan, Dean, Faculty of Social Science for his valuable suggestion. I express my deep sense of gratitude to Dr.K.K.George, Director, School of Management Studies for all his support. I am deeply indebted to Prof.Ranganathan and Prof. P.R.Poduval for their timely help. I am grateful to Dr.P.R.Wilson, Mrs. Anis George and Dr.M.Sarandharan for their great and timely help and guidance.

I express my sincere thanks to officers of Directorate of Industries and Commerce, Trivandrum, State Planning Board, Trivandrum and District Industries Centre , Trivandrum. I am especially indebted to the owneres of small scale industries units for giving their rich experience.

It is with sincere thanks that I acknowledge the immense help extended by Mr.Anil kumar Nair for statistical and computer work.

I am thankful to Excel Information Technology, Kannamoola, Trivandrum for the skilled job of converting the manuscript into computer printouts neatly and in time

*SALIM.M.H*

# CONTENTS

# List of Tables

# CHAPTER I

# INTRODUCTION

Small business has received scant attention in the vast sweep of human history. Few historians have bothered to record its contributions to society, eventhough the first known piece of writing appeared more than 4,000 years ago. Small business flourished almost in all ancient cultures. The Arabs, Babylonians, Egyptians, Jews, Greeks, Phoenicians, and Romans excelled at small business. Although crowded with achievement, small business history has never fired the public mind. Greek and Roman historians virtually ignored small business. In their view military deeds were the stuff of history. Yet it was largely through small business that civilization was spread to the then-known world (Siropolis, 1982, pp, 3.4).

Economists tended to view small scale sector as an outdated form of economic organization during the 1960s. It seemed that the needs of a modern economy required complex technological processes and large scale of production. As small firms were considered inappropriate to advanced technological system, they were even regarded as an obstacle to growth. But the 1970s witnessed the rehabilitation of the private small firm in terms of their perceived role in stimulating innovation, escalating wealth and generating employment (Perry, 1986, p-13). A major characteristic of the small firm sector is its contribution to the quality of life. In every field

wherever attempts are being made to improve the way of life, there will be a range of small scale businesses associated with it.

Another important contribution of the small business to the community is in providing a wide range of choice and a high standard of personal service to the consumer. It is recognized that in many ways the spread of standardization and mass-production methods bring advantages but they inevitably reduce the consumer's choice (Bolton, 1978. p- 158).

The individualized requirements of a variety of industrial, institutional and business customers, often calling for quick action, can in many cases be met most efficiently by small firms ( Staley and Morse, 1965, p 115). The simple answer to the question why some firms are large and others small, is that the role of small firms is to carry out functions which they can perform more efficiently than larger firms, that is to say, activities which are not efficiently performed on a large scale (Bolton, 1978, p-28).

Small business will probably hold it's strong position in the economy because of its ability to generate new ideas, new products, and new services that benefit consumers; its ability to create new jobs; big business's increasing dependence on small business for supplies, services; and rising individualism among the young (Siropolis, 1982, p-16).

A number of valuable role which a small scale sector can perform are: They offer the most efficient form of organization in industries where the optimum size of unit is small; they provide a means of entry into business for new entrepreneurial talent; they contribute to the variety of consumer choice, provide competition and act as a check on monopoly profits; they provide specialist services for larger firms and provide an important source of innovation in products, technologies and services (Bolton, 1978, p- 343).

With advancement in technology, transport and communication, marketing have now come to enjoy substantial economies of scale like other areas of production, transportation etc. Improved techniques of distribution and the use of national media for advertising are powerful factors working against the small firm. Indeed the small firm's lack of access to economies in large scale marketing may be one of the most important reasons why the competitive strength of the larger firm is working against the small firms. Indeed the marketing and sales costs average 15% to 35% of total corporate costs (Moriarty and Swartz, 1989, p-100).

Everywhere in the world, small scale industries, are facing severe competition. Statistics have repeatedly shown that the majority of small

businesses fail within five years of their inception (Charles and Fred, 1982, p-39). Several studies on small firms, report that the very real obstacle to the growth of small firm is inadequate capital though one may question whether lack of capital may not be a symptom of other problems like unskilled management and lack of market orientation (Staley and Morse, 1965, p-233). Koontz, O"donnell and Weihrich (1986, p-4) states that more than 90 percent of business failures are due to managerial incompetence and inexperience.

New products are getting costlier and harder to develop. Increasingly shorter life cycles mean that firms have to develop them and get them to markets faster than ever (Small Business News and Views, 1990, pp 94-97). The shrinking window of opportunity between product launch and the arrival of competitive products that has been so familiar to the computer industry over the years is now driving change in most industries (Whitehill, 1997, p- 621). There are only limited periods during which the 'fit' between the key requirements of a market and the particular competencies of a firm competing in that market are at an optimum. In recent years, attempts have been made to equate marketing and the military ( German and Donahue, 1987, p-74).

Given all the risks and the difficulties of success; acquiring the necessary knowledge in this field, identifying a market opportunity, assembling, the necessary resources, producing and marketing his product or service, it is perhaps remarkable that any one goes into small business at all. One can almost say that no one but an eccentric or mad man would venture into a small Industry. "The odds are so much against him that it is only his obsession and a dogged determination that makes him take all the risks he does" (Vepa, 1983 p- 9 ).

Consumers have become more selective in their choice of products. As consumer's disposable income has increased, and as an abundance of products has become available, consumers have fulfilled many of their wants. The big middle income group is reasonably well fed, clothed and housed. It follows that consumers may be more critical in their appraisal of new products. While the consumer is being increasingly selective, the market is being deluged with a large variety of products (Stanton and Futrell, 1987, p- 200). The problem is while it is easy to import the latest plant to run it with reasonable efficiency, it is not possible to do so with marketing. One cannot quickly build from scratch, a marketing organization that will at once settle down all tasks. Entrepreneurs must consistently build market orientation traits in their organization to survive in the highly competitive environment (Bosewell, 1973, p-163).

## Definition of Small Firms

Many attempts have been made to define a small firm, both by government bodies and academicians throughout the world. The fact that few views are identical, points to the difficulty in defining a small firm precisely. Because of the wide variety of activities which small firms are engaged in, attempt to quantify the definition of a small firm are almost bound to fail. Small firm could not be adequately defined for the whole world in terms of employment or assets, turnover, output or any other arbitrary single quantify, nor would the same definition be appropriate throughout any economy, system of production, infrastructure, product life cycles, Government regulations etc. (Brown and Rick 1987, p- 1).

In industry, many size gradations are possible. The environment also makes a difference: a machine shop that seems large in Katmandu would seem small in Detroit. A small plant in the steel industry may be many times larger than a plant considered sizable in the garment industry. Also, there are a number of different ways of measuring size by gross or net output, in physical or monetary terms, by capital assets, by installed horsepower, by number of workers, etc. It is wise to recognize, at the outset that there can be no single best or correct way to classify industry units as small or large. Different groupings are appropriate for different

purpose and at different places and times (Staley and Morse, 1965, pp 2-3).

Kumar, (1989), in his Ph.D. thesis has compiled the different definitions of small scale business in different countries. A compilation of the same is not repeated here. The various definitions of small scale business throughout the world, which keeps on changing can be classified into those using a quantitative measures of the number of people employed and those using a quantitative measure of the amount of capital employed.

In India, a quantitative measure of the amount of capital employed is used for defining/demarcating large, medium and small scale industry. The upper limit prescribed by the government has changed many times. The ceiling in investment of plant and machinery was Rs. 7.5 lakhs for small scale and for ancillary Rs. 10 lakhs in 1987-88. The industrial policy (1990-91) raised the investment ceiling on plant and machinery for small scale units from Rs. 35 lakhs to Rs.60 lakhs and for ancillary units from Rs.45 lakhs to Rs.75 lakhs (Business India, 1990, pp 11-24).

In 1997 the government has raised the limit of investment in plant and machinery for the small scale industry sector including the ancillary to Rs. 3 crore from Rs.60 lakh. The decision to enhance the limits after a revision in 1991 was taken for five reasons which included devaluation

and effect of foreign exchange fluctuation; increased international prices of capital goods and the need to upgrade and modernize technology base of this sector to keep it competitive (Indian Express, 1997, p- 1). In fact more and more new small businesses are formed in different countries every year. For example more than 5,00,000 new firms are started in the United States each year (Siropolis, 1982, p 11). Small business are the backbone of the U.S. economy, accounting for more than half of total employment and over eighty percent of employment growth in the past decade (Schwenk and Shrader, 1993, p-53). Engineers well versed in marketing and in tailoring product development to specialized customer needs are prominent among the founders of many of the small United States electronics companies which have had remarkable success and growth histories.

**Small Firms - Global Trend**

It is difficult to compare small firms trends in different economies because differences exists with regard to financial resources, characteristic of employees, systems of production, individual characteristics of entrepreneurs, product life cycles, marketing practices, infrastructure, government laws, regulations taxes, availability of skilled labour, small firm definitions etc. In the United States, for example, economic data in the firms of standard industry classifications, employment security later,

demographic data, life style trends, etc. are available. In developing economies such data's do not exist (Ricklefs, 1991, pp 2-3).

Rising real income, ought to affect small firms also as it ought to permit expansion in the demand for specialized goods, luxury goods and all kinds of services, all of which fall into the natural province of small firms also. Secondly it would make possible for a much wider section of the population to accumulate sufficient resources to start a business of their own (Bolton, 1978, pp-75). In many countries, the small enterprises sector is a major source of employment, revenue generation, innovation, and technological advancement. In some industries, small enterprises are more effective at servicing customers than large firms (Kotey and Meredith, 1997, p- 37).

In United States, food products and clothing stand predominant among small plant industries, in terms of number of industries and net output. Printing and publishing, wood and wood products, clay and stone products and machinery are other major groups in which small plants are important, while the contribution of small plants to selected industries within the metal fabrication and chemical products groups is worthy of note (Staley and Morse, 1965, pp-107-110). Small business provides big

business with many of the services, supplies, and raw materials it needs. General Motors, for example, buys from 37,000 suppliers, most of whom are small (Siropolis, 1982, p- 11). In some countries like Japan also, the small units may survive as a subcontractor to the larger ones (Bolton, 1978, pp 68-72).

One of the major factors which have helped the Italian economy to grow at such a rapid rate is the growth of small enterprises. The small scale units which constitute a new layer of the Italian economy operate at great cost efficiency and are characterized by high productivity. This is achieved through constant and continuous upgradation of technology and innovation in design and production techniques (Prasad, 1991, p--22). The hall marks of Italian industrial districts are traits like clustering of product specific small firms, flexibility of product and labour markets, availability of common services and pooling of local resources, product innovation and technological change on a continuous basis ( Taub and Taub, 1989, p -112).

In Australia, as in many countries, the level of economic dependence on small and medium enterprises has increased in recent years as a result of increasing lay-offs in the public sector and the shedding of employees by large firms (Kotey and Meredith, 1997, pp 37-64).

An assessment of small firms based on the number of small scale industries is meaningless. What is important is their quality and productivity. For example, while many new firms start up each year in the United States, nearly one half of them are out of business within 18 months (Steinhaff and Burgess, 1989, pp-6-7 ). In fact, of the 500,000 new businesses born each year in the United States, only half live as long as ten years (Siropolis, 1982, pp-12-13). Cooper, Dunkelberg, and Carolyn in their study found that 67 percent of new small businesses fail within four years (Cooper, William and Carolyn, 1989, p-1).

Despite the valuable role the sector has started showing symptoms of decline. A finding of international research on small firms suggest that small firms are more vulnerable to failure in the coming years (Bannock and Blackwell, 1981, p-54). On the whole it would seem that the coming years will see a decline in the role and importance of small enterprise in the economic life of both the developed and developing countries. In the developed countries there has been a declining trend in the importance of small business in recent years. More and more industry and business tend to operate on larger networks and the important place which small enterprise used to have may longer hold. Considerations of economic viability, high operating costs and high cost of technical personnel may make the single manager unit some what of an anachronism. The likely

growth path of small enterprises in developing countries, on other hand, may depend on the particular growth curve that country is following, since amongst these countries themselves there is a wide diversity in the pattern of growth. In developing countries like India, small scale sector can make a significant contribution to local economic development as independent small firms tend to have deep roots in the areas they serve (Bolton, 1978, pp-68-72).

In spite of the high failure rate, small firms continued to play an important role in invention and innovation. Of some 70 post 1900 inventions, more than half were made by men working on their own or with private help (Bannock and Blackwell, 1981, p- 85). In fact entrepreneurs brought out the calculators in 1971. It was only after calculators became a run away success that big business began making their own models. Small business or individuals invented the stainless steel razor blade, the transister radio, the photo copying machine, the jet engine, and the quick photograph. Their ingenuity also gave us the helicopter, power steering. The automatic transmission, air conditioning, cellophane, and even the ballpoint pen.

The Global economy continues to become more scientific and therefore more complex. The rising flood of new knowledge, new managerial tools,

and new managerial lifestyles will make obsolete many managerial practices as well as many products and services. It is not predicted, however, that small-business failures will slow down. the example of successful small businesses will continue to attract the unqualified as well as the qualified in increasing numbers. As our population expands, we can expect a steady rise in the total number of small businesses throughout the world (Siropolis, 1982, p-10).

**Small Scale Sector - National Trend**

In spite of the fact that India cannot borrow much on industrialization from other countries which had completely different problems of development, viz. capital, labour techniques etc. and different cultural, political and social environment, we can, draw certain conclusions from the experience of countries having highly developed economies. Even in highly industrialized economies, small scale industries do exist and continue to justify their existence by contributing a substantial share of the national output, inspite of higher rate of mortality.

Small scale industries have been given top priority in our successive five year plans. The rationale of this emphasis is that this sector is eminently suited for development in the Indian economy which has a shortage of capital and surplus of labour. As the capital output ratio is relatively low

in small scale industries their development helps to promote the mobilization of material as well as human resources and afford employment opportunities to millions. Further, it helps to raise the living standards of the masses through the increase in supply of wage goods. Modern small scale industries also contribute to the production of a limited range of sophisticated industrial products for the export market (Pillai, 1986, p-1).

In a developing economy like ours the ability to provide new jobs with the present scarcity of capital is surely a paramount consideration. For a modern small scale unit on an average, an investment of about Rs.7000/- is required for creating one work place while in a large sector unit the investment per work place is about 8 times of this amount (Raghunathan, 1988, p-5).

The total number of units in the frame of the census reports in 1972 has been 2.58 lakh and 9.87 lakh in 1987-88 showing an increase of 282 per cent (Sandesara, 1993, pp-223-224). During the Sixth Five Year Plan (1980-81 to 1984-85), the small scale sector registered a growth rate of 9.5 per cent at constant prices as against 6.4 per cent overall industrial growth rate (Table No. 1-1). Moreover, during the first year of the seventh plan i.e. 1985-86, the small scale sector registered a growth rate of 12.8

per cent at 1970-71 constant prices as against 8.7 per cent overall industrial growth rate during 1985-86. It goes without saying that the overall industrial growth rate during the recent years would have been significantly lower if the small scale sector would not have shown this much of dynamism. The number of small scale units has increased from 4.16 lakhs in 1973-74 to about 13.53 lakhs in 1985-86 (Ganguly 1988, pp-11-15).

**Table No. 1-1**

**Small Scale Industry: Growth in number, production, employment and exports during the 6th and 7 plan**

| | Sixth Plan (1980-85) | | Seventh Plan (1985-90) | |
|---|---|---|---|---|
| | 1980-81 | 1984-85 | 1985-86 | 1989-90 |
| Number of units (in '000) | 874 | 1242 | 1353 | |
| Production at current prices (Rs. Crore) | 28060 | 50520 | 9600 | 80220* |
| Employment (in '000) | 7100 | 9000 | 9600 | 11900 |
| Exports at current prices (Rs.Crore) | 1643 | 2541 | 2785 | 4140* |

** At 1984-85 prices* *Source: Yojana, March 1-15, 1988, p-7.*

During the same period, production from this sector at current prices increased from Rs.7200/- crores to an estimated figures of Rs.61,228/- crores registering a spectacular growth of 750 per cent. Employment in this sector too has increased from 39.7 lakhs in 1973-74 to 96 lakhs during 1985-86 and during 1986-87, employment level in this sector has reached

the level of 100 lakhs. Table 1-1 shows the number and employment growth during the sixth and seventh five year plans.

The number of small scale industrial units assisted by the public sector banks also rose in a marked manner from 0.51 lakh in June, 1969 to 19.98 lakhs in June, 1986, recording an impressive increase of over 32 times. Outstanding credit of public sector banks to the small scale industries rose phenomenally from Rs.251 crores in June, 1969 to Rs.7,808 crores in June, 1986 registering an increase of over 30 times (Economic Survey [1973-'74 to 1989 '90]). According to Raghunathan (1988,pp-1-15) 95 percent of the small scale units have an investment in plant and machinery of less than Rs. 2 lakhs. Bank credit to small industry is hardly 30 per cent of the total credit to the industrial sector while output of the small industry is 50 per cent of the total industrial output ( Southern Economist, 1990, p-1).

The small scale sector now produces more than 5,000 products. It has emerged as a major supplier of mass consumption items like leather and leather goods, sheet metal goods, bicycles and cycle parts, plastic and rubber goods, stationery, soap, detergent, domestic utensils, tooth paste and tooth powder, preserved fruits and vegetables, wooden and steel furniture, flash light torches, boot polish, paints and varnishes, etc.

Among the sophisticated items, mention may be made of TV sets, electronic control systems, transistor radios, hearing aids, intercom sets, electric carbon resisters, electronic medical equipment such as cardiac pace makers and ECG machines, electronic teaching aids, digital measuring equipments, air conditioning equipments, miniature bulbs, optical lenses, drugs and pharmaceuticals, electric motors, dye stuffs, pesticide formulations, photographic accessories etc. (Ganguly, 1988, p-11).

The export performance of the small scale sector has been equally creditable. The exports increased by over 600 per cent during 1973-74 to 1985-86. The small scale sector now accounts for 50 per cent of the total value of industrial production and contributes directly about 25% to the total exports of the country (Economic Survey, 1973-'74 to 1989-'90).

During 1984-85, exports of sports goods, processed tobacco, snuff, lac and many items of plastic originated exclusively from the small scale sector. In addition, the sector accounted for 92 percent of exports of marine products, 90 per cent of readymade garments, 84 percent of woollen garments, 61 percent of leather and leather products and 30 percent of engineering goods. To meet the country's expanding foreign exchange

needs, it is extremely important that all our efforts are made to further accelerate exports from this sector (Ganguly, 1988, pp-11-15).

Although the contribution of small scale sector towards total exports has been increasing steadily, the exports from the sector constitute only five percent of its total value of production which leaves no doubt that the full potential of the small scale sector is yet to be exploited (Raghunathan, 1988, p-6). Studies suggest that lack of knowledge about foreign markets, inability to assess market conditions in a changing international environment, and inability to target export sales are the major problems inhibiting small sized organisations from exporting ( Czinkota and Johnson, 1983, pp-147-153).

In India, a high growth in the number of units relative to investment, value added and employment has lowered the average size of the units. In terms of investment in fixed assets, the average size declined from Rs.57,000 to Rs.50,000, of investment in plant and machinery from Rs.38,000 to Rs.30,000 of net value added from Rs.60,000 to Rs.55,000 (all in 1972-73) and of employment from 12 persons to 6. In terms of production, however, the average size showed an increase from Rs. 1.86 lakh to Rs. 2.32 lakh (1972-73 prices) (Sandesara .J.C, 1993, p-224).

Most of the small scale units cater to the lower end of the market, ie. the price conscious segment. The size of this accessible customer segment is small (Digests, 1993, p-5). With the rise in village population, the small scale sector can expect to survive amidst competition from large scale. 78 per cent of the India's population lives in villages. In between 1984 and 1989 the rural market for packaged consumer products has grown from Rs 733 crore to Rs. 2,083 crore (ORG Survey, 1990, pp-15-17). In four categories, 50 percent or more of the sales take place in villages: soap-cakes / bars (59 percent), batteries 56 percent) popular soaps (50.5 percent), safety razor blades (50 percent). There are four other categories which are on the verge of reaching the 50 per cent mark: detergents (45.5 percent), cold/ analgesic tables (45 percent), glucose powders (42) and packaged tea (40.5 percent ) (ORG Survey, 1990, pp-15-17).

According to another survey carried out by the National council of Applied Economic research, New Delhi, 55 percent of the total biscuit consumption is in the rural areas. Also, the percentage of biscuit consuming householder is 38 percent more in rural localities than in the urban areas (Business India, 1991, pp - 14-17).

The statistics on closure of small units show an alarming picture. Nearly half of the closed small scale units are found closed within five years after start of production (Sandesara, 1993, p- 229). According to Dholakia (1989, pp - 19-20) the number of large sick units has increased from 409 in 1980 to 714 in 1986, while the number of sick units in the small scale sector has increased sharply from around 23,149 to 145,776. In June, 1988 a total of 2,18,608 industrial units were sick in India out of which about 99% i.e. 2,17,436 were in the small scale (Competition Master, 1992, p- 201).

According to report received by the RBI from banks as at the end of March 1990, as many as 1.26 lakhs units were not traceable, nor in existence involving aggregate outstanding bank credit of Rs.240 crore. As on March 31, 1992, Over 2,37,000 sick units owe a staggering Rs 11,82.15 crore to 23 Public Sector Banks ( Indian Express, 1992, p13).

The Punjab pattern of organization with its extensive division of labour and externalities is conducive to collective efficiency with the result that small firms can not only exist but can do so with efficiency and growth (Kashyap, 1992, p- 24). The Punjab pattern of organisation adopts the strategy of promoting space-bound clusters of small firms where each cluster is related to a specialized industry, taking into account the

regional specification of raw material and skill availability and taking advantage of economies of scope and agglomeration ( Kashyap, 1992, p-23).

The SSI sector which several surveys have indicated to be a dynamic and fast growing sector, remains underrepresented due to non-availability of data 1993-94 (Indian Express, 1994, p-14). Lack of sufficient statistics about various small-scale units currently in the country is also one of the reasons why many of the problems bedevilling the industry could not be widely known (Srinivasan, 1988, p-8).

**Scenario of small scale sector in Kerala**

The Kerala Government has been giving high priority to the small scale sector in the industrial development of the State. The total number of units in Kerala in the frame of the census reports in 1972 was 11427 and 38030 in 1987-88 registering an increase of 245 percent during the period. In Kerala the percentage of growth in number was higher than for all India as shown in Table 1.2 Out of the 38030 units registered 25717 were found to be working (Subramanian and Pillai 1994, 19).

## Table 1.2

## Growth of Small Industry In Kerala : 1972 And 1987-88

| Indicators | Kerala | | | All-India | | |
|---|---|---|---|---|---|---|
| | 72-73 | 87-88 | % change 72-87 | 72-73 | 87-88 | % change 72-87 |
| No. Of units in Census Frame (lakh) | 0.11 (4.30) | 0.38 (3.80) | 245 | 2.58 | 9.87 | 282 |
| No.of working units lakh | 0.7 (4.40) | 0.25 (4.20) | 257 | 1.59 | 5.94 | 273 |
| No.of units for which data tabulated (lakh) | 0.06 (4.30) | 0.26 (4.50) | 333 | 1.40 | 5.82 | 317 |
| Fixed Assets (Rs. Crores at 72-73 Price) | 44 (5.50) | 122 (4.20) | 177 | 797 | 2926 | 267 |
| Plant & Mach. (Rs crores at 72-73 Price) | 22 (4.00) | 66 (2.60) | 200 | 537 | 1745 | 225 |
| Production (Rs.Crores at 72-73 Price) | 116 (4.40) | 358 (2.60) | 209 | 2603 | 13528 | 420 |
| Net value - added (Rs.crores at 72-73 Price) | 36 (4.30) | 71 (2.20) | 97 | 841 | 3230 | 284 |
| Employment (No.lakh) | 1.26 (7.60) | 1.69 (4.60) | 34 | 16.5 | 36.66 | 122 |

*Notes: Figures in parentheses Indicate the percentage share of Kerala in all India.*
*Source*: Development Commissioner, Small Industries, Govt of India, New Delhi, Report of Census of Small Scale Industry Units, Vol.I& II, 1977 and Report on the Second All-India Census of Small Scale Industrial Units for All-India and Kerala, August 1992.

The second census of SSI units classifies industries into 21 industry groups. The number of working units and production under each group is shown in Table 1-3 Rs.7441 lakhs (919.20%) was invested in the manufacture of Food Products followed by Rs.5400 lakhs (13.94%) in Wood Products. Fixed Investment in the remaining industries as percentage of total fixed investment in all industry groups ranged from 0.01 (Jute,

Hemp and Mesta textiles) to 10.04% in Paper Products and Printing (Development Commissioner 1992, p-33).

**Table 1-3**

**SSI Units in Kerala : Number and Classification in the Second Census of SSI Units**

| Sl. No. | Description units | No.of | % age of (1987-88) | Production Total (Rs.Lakhs) | % age |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1. | Food Products | 4,791 | 18.63 | 44886 | 39.48 |
| 2. | Wood Products | 3,812 | 14.82 | 17577 | 15.46 |
| 3. | Rubber & Plastic Products | 2,679 | 10.42 | 10360 | 9.11 |
| 4. | Chemical & chemical Products | 1,334 | 5.19 | 8666 | 7.62 |
| 5. | Metal Products | 2,691 | 10.46 | 7128 | 6.27 |
| 6. | Non Metallic Mineral Products | 1,837 | 7 14 | 5616 | 4.94 |
| 7 | Paper Products & Printing | 2,445 | 9.51 | 5220 | 4.59 |
| 8. | Electrical Machinery/Apparatus | 374 | 1.45 | 2495 | 2.19 |
| 9. | Hosiery & Garments | 1,202 | 4.67 | 2384 | 2.10 |
| 10. | Machinery & Parts Except Electrical | 960 | 3.73 | 1945 | 1.71 |
| 11. | Basic Metal Products | 250 | 0.97 | 1887 | 1.66 |
| 12. | Repairing & servicing | 2,124 | 8.26 | 1739 | 1.53 |
| 13. | Other Services & Products | 154 | 0.60 | 980 | 0.86 |
| 14. | Transport Equipment & Parts | 204 | 0.79 | 953 | 0.84 |
| 15. | Miscellaneous Mfg. Industries | 202 | 0.79 | 680 | 0.60 |
| 16. | Beverages, Tobacco & Tobacco Products | 443 | 1.72 | 572 | 0.50 |
| 17. | Cotton Textiles | 8 | 0.03 | 352 | 0.31 |
| 18. | Leather & Leather products | 191 | 0.74 | 218 | 0.19 |
| 19. | Services not else Classified | 10 | 0.04 | 29 | 0.03 |
| 20. | Jute, Hemp & Mesta | 3 | 0.01 | 3 | 0.00 |
| 21. | Wool, Silk & Synth. Fibre | 3 | 0.01 | 2 | 0.00 |
| Total | | 25,717 | 100.00 | 1,13,692 | 100.00 |

*Source: Directorate of Industries and Commerce, Trivandrum*

Units having investment in plant and machinery of less than Rs.5 lakhs constituted 98.6% of total number of units, those in the range of 5-10 lakhs constituted 0.9% of total number of units, those in the range of 5-10 lakhs constituted 0.9% and the remaining are 0.5% found to be having their investment in plant and machinery in the range of Rs.10 lakhs and above.(Development Commissioner 1992,p-86). During 1996-97, 17421 SSI units were newly registered. This was an all time record. In comparison. the number of SSI units registered during 1995-96 was 16903 units. The cumulative number of SSI units registered in Kerala as on 31-3-1997 stood at 160544 (Planning Commission 1997,p- 74). Table 1-4 shows the district wise number of registered units in Kerala as on 31-03-94.

Table 1-4

SSI Registration in Kerala as on 31-3-94

| District | Number |
|---|---|
| Trivandrum | 12034 |
| Kollam | 10063 |
| Pathanamthitta | 4068 |
| Alleppey | 10232 |
| Kottayam | 11491 |
| Idukki | 3384 |
| Ernakulam | 15839 |
| Trichur | 11898 |
| Palakkad | 7757 |
| Malappuram | 4862 |
| Kozhikkode | 8230 |
| Wayanad | 1861 |
| Kannur | 6249 |
| Kasargod | 2416 |
| Total | 1,10384 |

*Source: Directorate of Industries and commerce, Trivandrum.*

**Extent of sickness in Kerala**

Despite all the concessions and facilities given to the small sale sector from time to time, sickness among SSI units in the state is increasing. There is no unanimity as to the extent and number of sick units. The Kerala state industries department conducted a survey of all the

registered units with a view to collecting information on their investment, employment and working condition as on 31-3-1985. Cards are maintained for unit which indicate these parameters. It is be seen that out of 31039 units for which cards are marked 23276 (75%) are working satisfactorily; 1762 are working but likely to fall sick; and 6001 are either closed or sick (Table 1.5). Of the different types of industries, wood and metal products and miscellaneous manufacturing units top the list of successful units. Rubber, paper, textiles and chemical products are also doing fairly well, while servicing industries are seen to have greater resilience for survival (Pillai, 1986, p-15).

## Table 1.5

## Classification According to Types of Industry and Performance As On 31.3.1985

| Sl. No. | Type of Industry | Category | | | |
|---|---|---|---|---|---|
| | | Green | Yellow | Red | Total |
| 1. | Food products (Part A) Pickles, Jams, Squash etc. | 1004 | 53 | 152 | 1209 |
| 2. | Food products (Part B) Bread, Biscuits etc. | 1293 | 127 | 322 | 1742 |
| 3. | Beverages, Tobacco, Tobacco Products | 203 | 11 | 37 | 251 |
| 4. | Cotton Textiles | 1158 | 43 | 558 | 1759 |
| 5. | Wool, silk, Textiles etc. | 17 | 3 | 3 | 23 |
| 6. | Jute, hemp and Mosta Textiles | 2 | | | 2 |
| 7 | Hosiery and Garments | 837 | 78 | 197 | 1112 |
| 8. | Wood Products | 3134 | 227 | 713 | 4074 |
| 9. | Paper products and Printing | 1745 | 73 | 342 | 2160 |
| 10. | Leather products | 166 | 20 | 46 | 232 |
| 11. | Rubber and plastic Products | 1736 | 144 | 390 | 2270 |
| 12. | Chemical and Chemical Products | 1717 | 162 | 473 | 2352 |
| 13. | Non-metallic mineral Products | 1023 | 100 | 17 | 1360 |
| 14. | Basic Metal Products | 162 | 37 | 24 | 262 |
| 15. | Metal Products | 3117 | 157 | 648 | 3922 |
| 16. | Machinery and parts except electrical | 240 | 11 | 149 | 295 |
| 17. | Electrical machinery and apparatus | 269 | 19 | 17 | 349 |
| 18. | Transport equipments and parts | 111 | 14 | 23 | 148 |
| 19. | Miscellaneous manufacturing industries | 2139 | 236 | 850 | 3225 |
| 20. | Construction | 299 | 52 | 81 | 432 |
| 21. | Activities allied to constructions | 136 | 4 | 15 | 155 |
| 22. | Storage and ware housing | | | | - |
| 23. | Real estate and business service | | | | - |
| 24. | Educational Scientific and Research Services | 5 | 5 | 7 | 17 |
| 25. | Medical and health service | 327 | 24 | 92 | 443 |
| 26. | Recreational Cultural Services | 1 | | 33 | 34 |
| 27. | Personal Services | 49 | 2 | 6 | 57 |
| 28. | Repairing and Servicing | 1589 | 64 | 223 | 1876 |
| 29. | Services | 797 | 96 | 385 | 1278 |
| Total | | 23276 | 1762 | 6001 | 31039 |

*Sources: Pillai V.R., A Report on the role of small scale Industries in the seventh Five -year Plan (State Planning Board, Government of Kerala, Trivandrum) August 1986, p-17.*

The average investment per unit in healthy units is Rs. 1.38 lakhs while in yellow units it is Rs. 0.84 lakh while the average for the state is Rs. 1.34 lakhs per unit. This shows that the units which have less than Rs. 1 lakh investment have greater susceptibility to sickness (Pillai, 1986, p-19). The second all India census of small scale Industrial units did not collect the data to classify sick units in term of cash loss/net-worth relationship, payment defaults etc. as is generally done. It did give details about the closed units only, which could be used to reflect in some measure upon the gravity of sickness. For, the closed (dead) ones must have been generally the `sick' ones" (Subramanian and Pillai, 1994, p-19).

The second census found that there were 38030 units registered in the state Directorate of Industries, Kerala upto 31st March, 1988 as against a total of 9.87 lakh such units in the country. During field investigations, 25717 (68%) units were found to be working. 11763 (31%) closed and 67 (0.2%) as non traceable (Table 1-6).

**Table 1-6**

**Coverage of Registered Small Scale Units**

| Sl. No. | Category | No.of Units |
|---|---|---|
| 1 | Working Units | 25717 |
| 2 | Closed Units | 11763 |
| 3. | Non-traceable Units | 67 |
| 4 | Non-responding Units | 25 |
| 5. | Others | 458 |
| Total | | 38030 |

*Source: Report on the second all India census of small scale Industry (units) (1992, ) Ministry of Industry, Government of India, New Delhi P-27*

Closed unit as percent of working units (for which data ware collected) was of lower magnitude in Kerala (46%) as compared to all India (52%). The number of closed units as per cent of working units was below Kerala level in 14 states in the country. The Kerala Sick Small Industries Rehabilitation Association says that nearly 50 per cent of the units functioning in the state are sick (Indian Express, 1989, p-12).

Mathrubhoomi (1991,p-5) reported that P.J.Kurien, Minister of state for Industry revealed in parliament on 14th August 1991 that 37 percent of the units registered in Kerala are considered sick.

Industry-wise, the incidence of sickness (closed as % of working units) in Kerala was relatively more in those products like textiles, synthetic fibre textiles, garments, leather products, chemical products and transport equipments, which accounted for low shares in the industrial base. The incidence of sickness was relatively low in the modern engineering industries (e.g. metal products, machinery, electrical goods and service sectors) of Kerala as compared to all- India. Inferentially, the potential for healthy development of engineering industries could be higher in Kerala. All sick, closed and non traceable units are not declared sick by the State government. According to the state planning

board as on 31-3-1997 only 3341 units, i.e only 3.2% of the units are identified as sick, (State Planning Board, 1997, p-74).

The predominance of tiny units could have in general, exerted a depressing influence on the performance of small scale Industry in Kerala. The second census show that the incidence of sickness is greater in the units with a low level of investment than with medium levels and it is higher in production units than in servicing units and servicing-cum-production units. Units which have less than Rs. one lakh investment have shown greater susceptibility to sickness. Therefore the prime factor contributing to the abnormal rate of sickness in Kerala is the predominance of tiny units which are unable to withstand the vicissitudes in the market. It is therefore important that the growth of new units should be regulated by giving preference to modern units with an investment of rupees one lakh and above (Pillai, 1986, pp-19-29).

**Small Business Failure - Reasons**

Since, differences exist in different economic with regard to financial resources, characteristics of employees, systems of production, individual characteristics of entrepreneurs, product life cycles, marketing practices, infrastructure, government laws, regulations, taxes, availability of skilled labour, small firm definitions etc., it is difficult to generalize on a single

universal opinion on the causes of small business failures (Ricklefs, 1991, p-2-3).

Industrial sickness is of two types i.e. actual sickness and intended sickness. The actual sickness occurs when there is an overall technical, financial or marketing incompetency on the part of the entrepreneurs and / or managers. The intended sickness occurs with the intention of the entrepreneurs, either to squeeze the funds invested, or to reap the fruits which are generally made available to sick units, by the government or its other agencies. Most developing countries suffer from the problem of industrial sickness which is of the former type i.e. actual sickness (Agarwal, 1992, p-49).

The growth and development of small scale sector is influenced by several factors including technological obsolescence, inadequate and irregular supply of raw materials, lack of organised marketing channels, imperfect knowledge of market conditions unorganised nature of operations, inadequate availability of credit, constraint of infrastuctural amenities including power, locational disadvantage etc (Srinivasan, 1998, p- 8). The internal causes of sickness which are mainly at the unit level include inadequate technical know-how improper layout, outdated production process, obsolete machinery, high cost of inputs, defective pricing policy,

poor sales promotion techniques, unimpressive brand and packaging, poor equity base, siphoning away of funds, adverse debt equity ratio, heavy inventory buildup, lack of professionalism, poor industrial elations etc. These problems make the unit gradually sick and turn them economically non viable (Dixit, 1988, p-17).

Most financial institutions, when asked why they are unable to invest more in small firms, cite weak management as the major difficulty (Boiton, 1978, p-113). On the basis of several case studies, Patel (1983 p-113) argues that most of the causes of poor performance were associated with entrepreneurial and managerial inadequacies. Kirk and Noonan (1982, p-1) reports that many entrepreneurial failures are related to the lack of formal planning.

Another study concludes that 56 percent of the small units failed within a period of five years of their start due to the faulty selection of site for the location of an industry (Desai, 1991, p-1-43). A survey of 300 small and ancillary units in India revealed that only 65 percent of the units' working capital needs were met while the remaining units faced problem because of inadequate working capital (Srinivsan, 1988, p-8).

Beam and Carey (1989, p-66) states that the single greatest factor in the early demise of new business enterprises in not having the owner

personally involved in it. Not being personally involved in small business is a sure prescription for failure, Management is the one skill which cannot be hired out. Absentee ownership simply doesn't work in small business. The owner needs to be present to set, the example in terms of enthusiasm, not just for the employees but for the customers as well. The single greatest factor in the early demise of new enterprises is not having the owner personally involved in it. The fact that the small firms are owned and managed by the same people has a great many practical consequences. The direct dependence on the proprietor in every facet of the detailed running of the business is the source of most of the strengths, and many of the weaknesses, of small firms. "One man business are critically dependent on the skills of an individual who, after all, is only human, and may not be able to bear the increasingly heavy burden that accompanies dynamic growth" (Chisnall, 1987, p-9).

Those who run small firms have to be their own experts in several fields; their responsibilities are likely to be more those of general management. They may need to acquire new sets of knowledge, or extend their existing expertise, in order to expand their business. The small firms' inability to draw human resources is crippling. The large firms capacity for design, research, product development, market share, market power including

intangible assets like brand image is often working against the small firms.

The small firm is prevented by the scale of its operations form employing a specialist in every function. Sophisticated management skills and specialist knowledge must usually be brought in from outside (Staley and Morse, 1965, 99; b, 1978, p-112). Siropolis (1982, 15) says that the main reason for the failure of small businesses is their inability to handle increased managerial demands. The Owner/Operator has minimal time, resources and skills to engage in sophisticated forecasting. Furthermore, the owner has to mould his decision-making activity through repeated crisis management, focusing on day-to-day decisions with relatively short time spans. Unfortunately, they often lack the managerial skills to recognize, hire, and tap the talents they need to survive and grow.

A study in Bombay revealed that out of the 1960 entrepreneurs interviewed 634 or 60 per cent saw no way of improving their techniques of production because of the lack of finance, lack of adequate demand, government restrictions, lack of power supply and inferior quality of products (Lakdawala, 1960 pp-107-167). The most important reason for small business failure according to Pearce, Chapman and David (1982 pp 27-30) is the small business manager's inattention to the world beyond the

office door. In United states approximately, 11,000 small business failed in 1980, leaving behind 4.64 billion in liabilities.

The causes for failure included:

1. Lack of competent outside advice.
2. Inability to recognize change. Markets and buyer needs often change rapidly and business must define themselves accordingly.
3. Most small business manager like to be involved in day to day activities and neglect planning.
4. Small business either grow too fast for their capital or too slow to survive. Planned strategic growth is needed.
5. Failure to monitor results against well defined performance standards.
6. Inadequate understanding of cash flow (Kirk and Noonan, 1982, p-2).

In many cases, overdependence upon a few customers has led to small firm`s being dominated by customers and losing much of their independence. In addition to a restricted customer base, small firms are frequently dependent upon one product or technology, and are thus vulnerable to technical changes and innovation. Many ancillary units fail due to the reason that they depend on a particular component or a particular industry without making any innovative ideas in the respective field (Karunakaran, 1991, p-1).

Small scale units have higher rates of mortality than larger industrial units, for various reasons. Attracted by special incentives and liberal finances, units are set up without careful planning and assessment of the market. Small industry also attracts many first-generation entrepreneurs who are inexperienced. Further their very size makes it difficult for the small scale units to stand up to the vagaries of the market (Dadi and Hashim, 1990, p-455)

Srinivasan (1988, p- 8) has reported that the according to Federation of Association of Small Industries India (FASII) and the National Alliance of Young Entrepreneurs (NAYE) the economic liberalisation is gradually introducing a competitive environment in domestic industry. It has definitely a detrimental impact on the fortunes of small-scale unit. They say that there has been a progressive and persistent reduction in the number of items reserved for exclusive manufacture in the small scale sector.

Representative of small scale industry in India point out that the introduction of broad-banding, re-endorsement of capacity, delicensing of a host of industries and relaxation of export obligations has benefited large industries to the determent of small-scale sector. Broad-banding means that the description of items of manufacture in the industrial licence

would be in terms of broad generic category instead of rigidly defined specific products. Broad-banding thus facilitates greater utilisation of capacity, changes in product mix, better response to market needs and lesser procedural delays.

Some of the major reasons for industrial sickness in Kerala state are stated to be mismanagement, failure to identify a suitable product, absence of a proper market study and in many cases, lack of working capital. Many entrepreneurs make the grave mistake of starting with insufficient share capital or promoters contribution. The attempts to raise working capital through different means often fail, leaving the industrial unit sick finally (Indian Express, 1989, p-4).

Most of the entrepreneurs prepare project report in accordance with the procedural obligations necessary for getting financial assistance without understanding the critical factors for success. Thus the content of the report fail as a guiding document and the project is bound to fall sick (The Hindu, Madras, 1990 report pp-20-21).

Industries where entry is easy because of low technical threshold, is characterized by over crowding of manufactures and consequently subnormal profits making it impossible for such firms to grow significantly (Staley and Morse, 1965 pp-126-154). Mushrooming of units producing

conventional items and the resultant unhealthy competition and lack of value added products to be taken up by small units has contributed to a large extent in increasing sickness among small units (Indian Express 1989, p-12).

The alarming increase in the incidence of sickness is also attributable to the limited size of the investment in most units which obliges entrepreneurs to adopt conventional and out-dated technology in the production of goods. Consequently their high level of cost underminees their competitive position in the market and eventually drive them out. In larger units, the entrepreneurs who have sunk their capital cannot afford to let the enterprise fall sick and are compelled to find ways and means of adjusting to changing conditions however adverse. (Pillai, 1986, pp-22-23).

A study on 250 business owners at Wester Michigan University indicated that lack of finance kept no one from starting a business. One way or another all customer focussed business were able to find enough money to get started in business, (Beam and Carey, 1989, p- 65).

The following is an analysis by percentage of the types of problems found in a study conducted on the short comings of management of small scale Industries in India.

| | |
|---|---|
| Straight forward marketing problems | 39% |
| Raw material problems | 6% |
| Financial problem | 3% |
| Production problems | 12% |
| General Administration Problems | 4% |
| Technical problem | 5% |
| Export marketing problem | 6% |
| Personal problems | 3% |
| Unclassified | 4% |
| Application for new Industries | 18% |
| | 100% |

The study shows that there is no doubt that problems which concern marketing are more than which concern any other single aspect of Industry (Singh, 1970; pp-184-85).

Attributing sickness to specific causes like raw material or finance is improper as each person or a department does not work in a closed system. Every department or section of the enterprise is a subsystem of the entire enterprise. For example, lack of many may be a symptom of deeper problems, such as inability to understand customer needs or

refusal to purchase new equipment (Koontz, O'donnell and weihrich 1986, pp-150-51).

**Marketing Assistance To Small Scale Sector In Kerala**

As one of the major handicaps for the development of small scale industries in Kerala is the problem of marketing, products of the small scale industries of the state find it difficult to get prompt and adequate market within and outside the state. The main reason for this is the high cost of production due to low productivity and the high wage rates compared to the neighbouring states. Consequently Kerala market finds products of the small scale sector of other states much more competitive (Pillai, 1986, p-27).

Marketing is primarily an entrepreneurial responsibility and small scale units have been undertaking operations of their own. However several central and state level agencies have been providing indirect support to the marketing efforts of the small scale units. The small scale units in Kerala enjoy the Governments assistance programme of reservation of items for exclusive purchase from small scale units as also price preference upto 15 percent on products where there is competition between large and small scale units. The number of items reserved for exclusive purchase from small scale sector has progressively increased

from 16 in 1956 -57 to 407 in 1984-85. Besides 13 items have been reserved for purchase up to 75 percent and 28 items upto 50 percent of the total requirements (Ganguly 1988, p-13).

Reservation of industries for exclusive manufacture in the small scale sector is one of the important protective measures of the Government to assist SSI units. Entry of large and medium scale units is prohibited in reserved areas except on condition that the unit concerned would export a minimum of 75 percent of its total production. The reservation policy is kept under constant review and items are added/deleted from the list depending upon the situation. For this purpose, the Government constituted an Advisory Committee on Reservation under the Industries (Development & Regulation) Act, 1951. initiated in 1967 with 47 items, as many as 850 items (as on 13.2.1987) are reserved. In order to help further the small scale industrial units in marketing their products, the small Industries Corporation in States are tendering on behalf of the small scale industrial units to the various agencies including Directorate General of Supplies and Disposals, Railways, Defence and State Stores Purchase Authorities. The basic objective behind this approach is that SSI units which are scattered throughout the country and their resources being limited, cannot participate in Government Stores Purchase Programme individually (Ganguly, 1988 p-13).

The various state level Agencies in Kerala that provide marketing assistance to the small scale sector includes

1. The Directorate of Industries and Commerce.
2. District Industries Centres
3. Kerala Small Industries Development Corporation (SIDCO)
4. Kerala Industrial and Technical Consultancy Organization Ltd. (KITCO)
5. Small Industries Service Institute (SISI)
6. Handicrafts Development Corporation of Kerala Ltd.
7. Khadi and Village Industries.
8. Kerala Rural Development and Marketing society
9. Small Industries Product Quality Insurance Centre (SIPQIC)

**The Directorate of Industries & Commerce**

The Directorate of Industries & Commerce, Government of Kerala, functions as one of the State Government Departments.

**District Industries Centres (DIC)**

The DICs established in all districts in the state functions under the director of Industries & commerce with the objective of providing services & facilities to the entrepreneurs. The services of DICS include the

identification of a suitable scheme. preparation of feasibility report, marketing guidance, arrangements for the supply of machinery and equipment, raw material and entrepreneurial training (Kerala State Planning Board 1992 p-60).

**Kerala Small Industries Development Corporation (SIDCO)**

The Kerala Small Industries Development Corporation promotes small scale industries in the state by providing them with capital and supplying machinery and equipment on hire purchase basis. Other activities include procurement and distribution of scarce raw materials, revitalization of sick units, management and development of Industrial Estates and Development plots (Kerala State Planning Board, 1992 p-60). Marketing is the third important activity assigned to SIDCO. The marketing activity of SIDCO is negligible. The number of units assisted by SIDCO ranges from 54 to 64 only per year. SIDCO intends to undertake marketing of products within and outside the State on a common brand name and emblem (Pillai, 1986 pp-54-60). SIDCO has been recognised as the sole channelising agent by the State Government for procurement and supply of selected products from small scale industries to Government departments and public sector units. According to a press release by SIDCO, the products to be supplied by it include tarpaulin, chokes,

condensors, starters and other electric items, control panels, chemicals for laboratories, aluminium steel utensils, man-hole covers, wax cadles, conduit pipes, rolling shutters, electric line materials, sheets, RCC pipes voltage stabilisers umbrellas, polythene bags and sheets, wooden packing cases, agricultural tools and implements, paints and varnishes safety matches and door matches (Indian Express 1998, p-3). For entering into new areas of production, a number of areas have already been identified by SIDO and intimated to the small Industries Service Institutes for being suggested to prospective entrepreneurs (Source Directorate of Industries and Commerce, Trivandrum).

**Kerala Industrial and Technical Consultancy-Organisation Ltd., (KITCO)**

Kerala Industrial and Technical Consultancy organization is a professional consultancy organization established by Industrial Development Bank of India (IDBI) and co-sponsored by national and state level financial institutions, banks and Government of Kerala for promoting the growth of small, medium and large scale industries in Kerala. The function of the organization include preparation of project reports, appraisal reports, rehabilitation and diagnostic studies, monitoring of projects, modernization of industries detailed engineering services, energy audit, enterpreneurship development programme, skill

upgradation programmes and other consultancy services (Kerala State Planning Board, 1992 P-62).

**Small Industries Service Institute (SISI)**

The main objective of the Small Industries Service Institute is to provide managerial technical consultancy services to existing and prospective small scale industries in Kerala and the Union Territory of Lakshadweep (Kerala State Planning Board 1992 p-61).

**Handicrafts Development Corporation of Kerala Limited**

The main activities of Handicrafts Development Corporation include procurement and distribution of raw materials to artisans at subsidised rates, provision of improved tools and financial assistance to artisans, collection of handicrafts goods at fair prices and promotion or export through exhibition and sales of such goods in India and abroad (Kerala State Planning Board 1992, p-62).

**Khadi and Village Industries Board**

The Khadi and Village Industries Board, started functioning in 1957, with the objective of organisation, development and promotion of Khadi and village Industries in the State like Khadi Bee keeping, cottage matches

hand pounding of paddy village pottery soap etc. (Kerala State Planning Board 1992 p-63).

**Kerala Rural Development and Marketing Society (KERAMS)**

KERAMS established in 1986, provide marketing facilities for products manufactured by IRDP beneficiaries, rural artisans, Mahila Samajams, Voluntary organisations etc. (Kerala State Planning Board 1992 p-115).

Kerala State Co-operative Marketing Federation and Rubber Marketing Federation KERAFED and Cashew Apex Industrial co-operative Society are the main agencies engaged in the marketing of agricultural produce in Kerala (State Planning Board 1992, p-2).

**Small Industries Product Quality Insurance Centre SIQIC**

SIPQICE is equipped to undertake testing of products in the Electrical, chemical and Drugs and Pharmaceutical fields. SIPQIC is an enterprise of the Kerala state small Industries Association with financial assistance from IDBI.

Unfortunately most of the small units do not avail most of these benefits from Government agencies as they are not strong enough to enforce them. The purchasing departments and companies do not give preference on some excuse or other, particularly by decrying the quality of the goods and

consequent to the Government's new liberalisation policy. Small scale units will have to constantly strive for survival inspite of the indirect marketing support given to the small scale sector (Pillai, 1986, p-30 ).

In Kerala, entrepreneur development programme are conducted by several organization like KITKO, centre for management Development (CMD) and the Small Industries Development Institute which offer comprehensive managerial and technical consultancy service.

In spite of the generous help and promotion from the government agencies small firms are yet to make a mark in the Industrial System of the State. The reason may be that the small firms are yet to develop a sincere and calculated market orientation for their business.

## CHAPTER II

# REIVIEW OF LITERATURE

Kohli and Jaworski's (1990), Narver and Slater's (1990) and Narver's (1994) articles are pioneer studies on market orientation and firm performance. But no study on market orientation of small firms could be found from the review of literature. The elements of market orientation and the items that characterize different elements are drawn from a review of relevant literature on marketing.

The development of modern marketing was well underway by the time the great depression is supposed to have ushered in the sales era. Certainly the poor economic conditions may have motivated some desperate firms to pursue hard selling. Fullerton (1988, p-120) notes that much of what we consider to be real and modern marketing is in fact devised and used widely long before 1950, in contrast to the notion that such marketing began only 30 years ago.

Originally companies based their marketing decisions largely on immediate company profit calculations. Most companies do not really grasp the marketing concept until driven to it by circumstances like sales decline, rapidly changing customer buying patterns, increased competition and market expenditure. Then they began to recognize

the long-run importance of satisfying consumer wants, and thus introduced the marketing concept (Kotler, 1988, p-24). The entire system of business activities must be customer-oriented. Customer's wants must be recognized and satisfied effectively. A company should (1) be customer-oriented, (2) strive for long term profit through customer satisfaction and (3) coordinate all its marketing activities (Stanton, 1987 p-6).

Marketing is not merely a set of techniques for the business to sell more. Recognizing the long-run importance of satisfying consumer wants, it is a complete approach to running a business through focusing all of the company's actions on to the customer (Brown and Rick, 1987, p-3). The concept holds that the key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors. The company should integrate and coordinate all the activities that will affect customer satisfaction through creating and maintanting customer satisfaction. The aim of marketing is to know and understand customers so well and to design appropriate products with features that fits the customer's needs so well, that the product sells itself (Kotler,1991 pp5-29).

The marketing concept has generally been adopted by both large and medium-sized companies. In its fullest sense, it is a philosophy of business that states that the customer's want satisfaction is the economic and social justification for a firm's existence. All company activities should therefore be devoted to determining customer's wants and then satisfying those wants, while still making a profit over the long run.

The term "market orientation" means the implementation of the marketing concept. Hence, a market-oriented organization is one whose actions are consistent with the marketing concept. This business philosophy has challenged the previous concepts. "Although it has a long history, its central tenets did not fully crystalize until the mid-1950's" (Houston, 1986, pp. 81-87).

A business that increases its market orientation will improve its market performance (Webster, 1988 pp. 29-39). All of the executives interviewed by Kohli and Jaworski (1990 p-3) noted that a market orientation enhances the performance of an organization. Several executives indicated that in strong economies characterized by strong demand, an organization may be able to survive with a minimal amount of market orientation. But in a weak economy, customers are

likely to be very value conscious and organizations must be more in tune with and responsive to customer needs in order to offer good value for money. "Paradoxically, marketing seems to require more resources precisely at times when the organization is short of resources because of weak business conditions" (Kohli and Jaworski, 1990, p- 1-18).

Kohli and Jaworski (1990, p-13) found that, though a market orientation is likely to be related to business performance in general, under certain conditions it may not be critical. A market orientation requires the commitment of resources. The orientation is useful only if the benefits it affords exceed the cost of those resources. Hence under conditions of limited competition, a market orientation may not be related strongly to business performance. Managers or business operating under these conditions should pay close attention to the cost-benefit ratio of a market orientation.

Two traits found in excellent companies by Peter and Waterman are (1) a drive to provide superior service and quality to customers and (2) a drive to innovate - to develop new products and services, In other words, every one of these companies are marketing oriented. In dealing with their customers, these firms give top priority to finding out what the customers wanted and then creatively developing products and services to

satisfy those wants. In a business only marketing generates the revenues that are managed by the financial people and used by the production people in creating products and services. The main challenge in the economy no longer is to make or grow enough products, but to generate those revenues by satisfying customer's wants at a profit and in a socially responsible manner (Peters and Waterman, 1982 pp. 3-26).

The desire to create superior value for customers will create an organizational culture that in turn will result in continuous superior performance (Deshpande and Webster 1989 pp. 3-15). One Japanese businessman commented that "Our aim goes beyond satisfying the customer. Our aim is to delight the customer". This deeper quest may be the secret of the great marketers. When they delight a customer, the customer talks to even more acquaintances about the fine company. The delighted customers are more effective advertisers than advertisements placed in the media (Kotler, 1988, p-19).

Survey results on successful and unsuccessful business men revealed that the successful small business owners had a different orientation towards their business than did unsuccessful ones. They were oriented towards creating superior value for buyers and, thus, continuous superior performance. Because a market orientation essentially involves

doing something new or different in response to market conditions, it can be viewed as a form of innovative behavior (Beam, 1988, p-66).

The high concern of today's companies over marketing is reflected in a recent study in which senior managers of 250 major American corporations identified their number-one planning challenge to be "developing, improving, and implementing competitive marketing strategies" (Kotler, 1988, p-2). Academicians in speeches, textbooks, and scholarly papers on marketing, state that marketing orientation is the very heart of modern marketing management. Consequently, the marketing manager is the most significant functional contributor to the strategic planning process of a business (Narver and Slater, 1990, p-20).

Felton (1959, pp. 55-65) defines the marketing concept as a corporate state of mind that insists on the integration and coordination of all the marketing functions which, in turn, are moulded with all other corporate functions, for the basic purpose of producing maximum long-range corporate profits. Kohli and Jaworski define market orientation as the organization wide information generation and dissemination and appropriate response related to current and future customer needs and preferences. (Kohli an Jaworski, 1990, p-21).

Mc Nmara (1972, p-57) defines the concept as a philosophy of business management based upon a company-wide acceptance of the need for customer orientation, profit orientation, and recognition of the importance of communicating the needs of the market to all major corporate departments. Kotler (1988, p-24) states that market focus, customer orientation, co-ordinated, marketing and long term profitability as the four pillars of marketing concept.

Levitt (1960, pp. 45-56) draws the distinction between the selling and marketing concepts; while selling focuses on the needs of the seller, marketing focuses on the needs of the buyer. Selling is preoccupied with the seller's need to convert his product into cash without considering the customers benefit or satisfaction. Marketing is concerned with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering and finally consuming it; and that market definitions of a business are superior to product definitions. (Levitt, 1960, pp. 45-46). To maximize a firms long-run profits, it must continuously create superior value for its target customers. To create continuous superior value for customers, a business must be customer oriented, competitor oriented, and interfunctionally

coordinated. All components of market orientation are thus interconnected (Narver and Slater, 1990, pp. 20-35).

Four different elements of marketing orientation have been identified from the review of literature. They are Customer orientation, competitor orientation, long term focus and interfunctional coordination. The different items that characterize each elements also have been drawn from the review of literature.

**Customer Orientation**

Customer orientation is the sufficient understanding of one's target buyers to be able to create superior value for them continuously (Narver and slater, 1990, pp. 1-35).

Companies cannot survive today by simply doing a good job. They must do an excellent job if they are to succeed in markets characterized by fierce competition. Consumers experience an abundance of choices to satisfy their needs and therefore look for excellence in quality when they buy a product. Knowing and satisfying the customers with competitively superior offers is the key to profitable performance. A customer-oriented company should track its customer satisfaction

level and monitor competitors activities each period and set improvement goals (Kotler, 1988, p-30).

Productivity is of little value if one is producing goods and services that lack the attributes preferred in the market place (Daniels, 1991, p-5). Therefore, a customer-oriented firm can be defined, as a firm with the ability and the will to identify, analyse, understand, and answer user needs. (Gatignon and Xuereb, 1997, p-76-90). Desphande, Farley, and Webster (1993, p-27) define customer orientation as "the set of beliefs that puts the customer interest first"

In general marketing theory predicts that customer oriented firms serve the needs of the consumers better, specially by providing products that fit their needs best (Griffin and Hauser 1993 pp. 1-28). This creates an advantage for the product. Which is perceived by consumers as fitting their needs better than the competitor does (Cooper 1988). This requires competitive orientation and customer orientation at the same time.

Customers reign supreme (Peters and Waterman, 1982, p-XXII). Customers can determine where; when and how they want goods to be delivered; they can even specify the manner in which they want goods to be handled before and after delivery. (Gilbert and Pine 1997 pp. 91-101).

Peters and Waterman (1982, p-169) suggest that customer orientation is the most important component of a market orientation.

A business must constantly discover and implement additional value for its customers, which requires a range of appropriate tactics and investments. A seller has to find numerous alternative opportunities for creating additional benefits for the customers (Narver and Slater, 1990, pp. 20-35). To be customer oriented a firm must recognize whether there is an untapped source of customers and the product or service, presented in the right way to attract the right customers. (Steinhoff, 1978, p-21).

The marketing program starts with the germ of a product idea and does not end until the customer's wants are completely satisfied, which may be some time after the sale is made. A seller must understand the needs as well as constraints of its consumer. Only then can a seller understand who its potential customers are at present as well as who they may be in the future, what they want now as well as what they may want in the future (Webster, 1988, pp.29-39).

When market demand is growing, it is easier for all sellers to acquire and retain customers and earn profits (Cooper 1984, pp. 93-103). In addition, growing markets are at the early stages of the product life cycle. Consequently little information is available on these markets.(Carpenter and Nakamoto, 1989, pp. 285-298). Therefore, a strong customer orientation is necessary to understand these newly created markets.

Compared to slow-growing markets, a stronger customer orientation and a stronger competitor orientation are required in fast-growing markets to achieve a similar level of performance. (Gatignon and Xuereb, 1997, p-81). To perform above average, a firm will have to stay ahead of competitors and increase its market share (Porter 1991). Market share is increased by attracting new customers and retaining existing ones.

Regardless of size, all-businesses need information regarding their markets, customers, competition, and their own market position in order to plan marketing strategies (Barnes and Noonan, 1982, p-62) Market orientation includes an analysis of changing conditions in the environment and their impact on the needs and wants of customers (Kohli and Jansorski, 1990, p-4). "The more they know about their markets, the greater their chance of creating customers at a profit".

(Siroplis, 1982, p-42). Market awareness, strategic vision, and external relationships are important strategic capabilities in turbulent markets. (Cravens and Shammon, 1991, p-58).

Market Orientation thus should begin with factual information about the market place. Without such information any firm, large or small, will find itself at a disadvantage in today's business environment. (Brown and Rick, 1987, p-2). Information gathering system or Market Intelligence is thus indispensable for market oriented firms and the starting point of market orientation. (Kohli and Jaworski, 1998, pp. 1-18). Formal market research, which aides to find solutions to specific problems facing the company is an indispensable ingredient of the modern marketing concept, in that companies can serve their customers only by researching their needs and wants and their buying practices, (Kotler, 1968, p-68).

A company's marketing system operates within the frame work of ever changing forces that constitute the system's environment. These forces are either external of internal to the firm. The internal forces are inherent in the organization and are controlled by management. The company must also be able to manage its external environmental forces

that are largely, but not totally uncontrollable by the management. (Stanton and Futrell, 1987. pp. 21-23).

The marketing system is affected by such economic considerations as the current stage of the business cycle, inflation, and interest rates; political and legal forces, like the fiscal policies, Government's relationship with industries; and social influences such as culture etc. Similarly changes in technology will create threats to an existing business and an opportunity for new business. A company's competitive environment is also a major influence shaping its marketing system. Management must be aware of the various types of competition and the competive structure within which a given firm operates. The firm's immediate marketing intermediaries like the producers and suppliers also affects the firms ability to serve the market efficiently (Stanton and Futrell, 1987, pp. 21-35).

In general, the company has to monitor key macroenvironmental factors like demographic, economic, technological, political, legal, social, and cultural forces that affect it's business and the significant microenvironment factors like customers, competitors, distribution channels, suppliers etc, that affect its ability to earn profits in the market place. The business must have a marketing intelligence system

to track trends and important developments in the environment. The key to organizational survival is the organization's ability to modify itself as the environment changes. Successful organizations monitor the environment and make changes through anticipatory planning so as to maintain a fairly current strategic fit with the evolving environment (Kotler, 1988, pp. 50-62). Effective market intelligence pertains not just to current needs, but to future needs as well. It urges organizations to anticipate needs of customers and initiate steps to meet them. Market intelligence is thus a broader concept in that it includes consideration of market factors that affects customer needs both current as well as future (Houston, 1986, p-87).

To attract new customers and to retain existing ones, firms should monitor changes in the customer's environment, abilities and resources; and find whether they are likely to remain as customers? Are they sound financially ? Which segments are likely to grow faster, providing more sales opportunity for the firm ? (Moyer, 1982 p-13). A seller in any industry must maintain a current and thorough understanding of a buyer if the seller is to continue to create superior value for the buyer. (Narver and Slater, 1990 p-27). A seller must understand the economic and political constraints at all levels in the

channel. Only with such a framework can a seller understand who its potential customers are at present as well as who they may be in the future, what they want now as well as what they may want in the future, and what they perceive now an well as what they may perceive in the future as relevant satisfiers of their wants." (Narver and slater, 1990, p-21).

The knowledge of the external environment is more significant when the demand is uncertain and consumer preferences keep changing (Gatignon and Xuereb, 1997, p-81). The marketing executives should be alert to trends, new developments, and other changes that may result marketing opportunities or problems for their particular firm. (Stanton and Futrell, 1987, p-30)

Data on new business ventures that failed, listed the following as major reasons for failure: 1) inadequate market knowledge 2) ineffective marketing and sales efforts; 3) inadequate awareness of competitive pressures and 4) rapid product obsolescence. (Terpstra and Olson, 1993, p-6).

The generation of market intelligence cannot be the exclusive responsibility of the marketing department. Rather, market intelligence is generated collectively by individuals and departments throughout an organization, Intelligence generated at one department must be disseminated effectively to the other departments of the organizations. For example, customer information in a manufacturing firm is disseminated throughout by telling stories about customers, their needs, personality characteristics, and even their families. "The idea is to have the secretaries, engineers, and production personnel "get to know" customers". (Kohli and Jaworski, 1990 pp. 4-5).

Several studies demonstrate clearly that smaller companies are less likely to have formal market research departments and less likely to gather market intelligence in general. (Barnes, Pynn and Noonan, 1982, p-64). Small firms have little organized data collection on markets and competitors. (Kirk and Noonan, 1982 p-3). Small business lack even those data available to the larger organization. Since their competitors are often privately held, published information is often unavilable. (Dowel, Frazier and Stephenson, 1982, p-46). A Canadian study which covered more than 300 small firms found that only half engaged in even the most rudimentary form of sales forecasting, and just 37 per cent only

conducted some form of customer analysis. (Barnes, Pynn and Noonan, 1982, p-62).

In large companies, collecting, analysing, and interpreting marketing information is the function of the marketing research department or the Marketing Information System (MIS). Small companies however, cannot often afford to hire an outside expert whereas the large firm can employ a market-research manager, an advertising manager, a distribution manager, and a sales manager(Brown and Rick, 1987, p-2).

Large numbers of small business fail each year because they have not adequately identified the characteristics of their target market. When marketing programs are used at all, they are often inadequate to meet the needs of any specific market segment. A small business may be established on the basis of a potentially successfull concept, but if it fails to make its product or service attractive to the target market, the business will fail. Thus, once a business is established, it must have access to ongoing marketing information in order to react to change and plan appropriately. The information which is required on a continuous basis by all businesses included analysis of various product, customers and sales territories. The small business is also occasionally in need of *ad hoc* studies, which might involve the testing of new products or packages

or the evaluation of the effectiveness of advertising (Barnes, Pynn and Noonan, 1982, p-63).

Barnes, Pynn and Noonan (1982, p-63) noted that managers of small businesses often think that marketing research can be done only by experts in large companies with big research budgets. Many small business managers are intimidated by the concept of marketing research, which is generally perceived to be too complex and therefore inappropriate for use in small business. Market research techniques may be used relatively little by small businesses for a number of reasons. First, many small business managers feel that they simply do not have the time to supervise marketing research projects. Second, most small business managers admit to having very little knowledge of the details of marketing research. Third, marketing research is thought to be very expensive. Finally, one of the most important barriers to the use of marketing research in small firms is the attitude among managers that marketing research is simply too irrelevant.

Boughton (1983, p-39) states that the small firm, with untrained staff and limited resources can conduct meaningful marketing research studies provided that management understands the problems involved and recognizes that the acquisition of meaningful information should be

viewed as an investment upon which a return should be expected. Mangers should take a cost trade-off perspective which weighs the value of expected information against the cost of obtaining the information. Good research need not be prohibitively expensive. There are a number of ways of reducing costs so that even small businesses can afford good marketing research. (Boughton, 1983 p-40).

The small firm need not burden itself with a detailed formal planning document, an extensive reporting system or an avalanche of paper work. Many market research is nothing more than the collection of marketing information and this need not be complicated, costly or highly technical (Moyer, 1982, pp.13-14).

Intelligence may be generated through a variety of formal as well as informal means and may involve collecting primary data or consulting secondary sources. The mechanisms may include meetings and discussions with customers, distributors, analysis of sales reports, analysis of customer databases, and formal market research such as customer attitude surveys, sales response in test markets, and so on (Kohli and Jaworski, 1990 p-45). Many small businesses are unaware of or ignore, the fact that there is a considerable volume of secondary information available at little or no cost, concerning the market in which

the business operates. Much of this information is available within the firm. By analysing customer's complaint records, sales records, service invoices, and salesman's reports, the small business manger can obtain much valuable information about the market. (Barnes, Pynn and Noonan, 1982, p-64).

Small organisations have access to most of the secondary data available to large businesses. Thus secondary data collection, observation, surveys, and experiments can be used effectively by small organisations with small budgets. (Kotler, 1989, p-12). Many of the marketing research techniques can be used less formally by smaller organisations to make correct marketing decisions. Managers of small business can obtain much marketing information by observing the events and behaviour around them. For example, retailers can evaluate new outlet locations by observing vehicle and pedstrain traffic. They can visit competing stores to check on facilities and prices. They can evaluate their customer mix by watching and recording how many and what kinds of customers shop in the store at different times of the day and different days of the week. Competitor advertising can be monitored through the systematic collection of advertisements in local media. Local newspapers and magazines often provide information on the characteristics and buying patterns of local shoppers (Kotler, 1989, p-111). Barnes (1982, p-63)

states that the small business manager may also combine in-house expertise with that of professional researchers.

Boughton (1983,p-40) gives a list of marketing research questions that are relevant for many small firms (Table 2-1).

**Table 2-1**
**Marketing Questions of Small Businesses**

| What |
|---|
| What is the potential of the market ? |
| What benefits does the customer seem ? |
| What factors influence demand ? |
| What functions does the product/service perform for the customer ? |
| What are important buying criteria ? |
| What is the basis of comparison with other products ? |
| What risks does the customer perceive ? |
| What service do customers expect ? |
| Where |
| Where is the decision made to buy ? |
| Where do customers seek information about the product ? |
| Where do customers buy the product ? |
| When |
| When is the first decision to buy made ? |
| When is the product repurchased ? |
| Why |
| Why do customers buy ? |
| Why do customers choose one brand as opposed to another ? |
| Who |
| Who are the occupants of segments identified ? |
| Who buys our product and why ? |
| Who buys our competitors products and why ? |
| How |
| How do customers buy ? |
| How long does the buying process last ? |
| How do various elements of the marketing program |
| influence customers at each stage of the process ? |
| How do customers use the product ? |
| How does the product fit into their life-style or operation ? |
| How much are they willing to spend ? |
| How much do they buy ? |

For the small scale planner, luckily size is no deterrent to its effective use. Most studies show that size adds little to research intensity to detract small firms from conducting market research activities. The end result is no different for the small-scale planning firm than it is for the large one. The process varies only in scale from the large to the small firm (Green, 1972, pp. 22-23).

Market intelligence also includes a firms responsiveness to the intelligence generated. Market orientation consists of organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to it. Responsiveness to market intelligence takes the form of selecting target markets, designing and offering products, services that cater to their current and anticipated needs, and producing, distributing and promoting the products in a way that elicits favourable end-customer response. In other words, a market intelligence enables an organization to be market focussed, decide on the products and marketing programme and to remain competitive. (Kohli and Jaworski, 1990 p-3).

No company can operate in every market and satisfy every need. To be customer oriented, targeting all people in a market is not a typical

strategy. To be customer oriented and give superior value to customers, a business cannot operate aimlessly in all markets. Each business must be specific in terms of its market. It must be market focussed or, in other words to be customer oriented, a firm must define the boundaries of its market (Cravens and Shipp, 1991, p-57). "Even mighty IBM cannot offer the best solutions for every computer customer need. Companies do best when they define the boundaries of their markets carefully. They do best when they prepare a tailored marketing programme for each target market" (Kotler, 1988, p-18). Markets and buyer needs often change rapidly, and businesses must define themselves accordingly (Kirk and Noonan, 1982, p-2). Market focus involves studying and defining the customer needs so well so as to give maximum benefit and satisfaction to the target customers than the competitors does.

A business should be defined, in terms of three dimensions, the customer groups that will be served, the customer needs that will be met and the technology that will satisfy these needs (Kolter, 1988, p-39). The definition should include, (a) Product and market scope: in particular, which customers are to be served, which customer functions (needs) are to be satisfied, and what ways (technologies) are to be used to satisfy the functions: (b) product and market segmentation: in particular, whether and how the firm recognizes differences among customers in

terms of their needs and the ways they are satisfied. Business definition demands creativity rather than the use of massive resources, so the small firm need not deny itself this most important element of the strategic planning process (Moyer, 1982, p-9).

Customer-oriented thinking requires the company to carefully define customer needs from the customer point of view. Only if customer satisfaction is fulfilled, organizational goals can be met. It is supremely important to satisfy the customer because company's sales come from two groups: new customers and repeat customers. It is always more costly to attract new customers than to retain current customers. Therefore customer retention is more critical than customer attraction. A satisfied customer buys again, talks favourably to others about the company, pays less attention to competing brands and advertising and buys other products that the company later adds to its line. Whereas a satisfied customer tells three people about a good product experience, a dissatisfied customer tells to eleven people. In one study, however 13 per cent of the people who had a problem with an organization complained about the company to more than twenty persons (Kotler, 1988, pp. 18-19).

Defining the customer enables a firm to decide on product quality, pricing, promotion, distribution channels provision of customer service and support, and brand names (Kotey and Meredith 1997, p-38). Peters and Waterman (1982, p-182) notes the customer orientation is a way of "tailoring"-a way of finding a particular niche where the firm is better at something than anybody else.

Product or service means the total entity to be marketed which includes any aspect of it, such as the design, technology, the manufacturing process, the distribution channel. the customer segment and the promotional strategy (Sonfield and Lussier, 1997 p-54). Market focus helps the firms to learn a large part of the market's technical issues and provides an evaluation of possible segments, the importance of the market, and its growth rate. (Gatignon and Xuereb, 1997, p-76).

Modern marketing practice calls for dividing the market into major market segments, evaluating them, selecting and targeting certain ones and deciding on the company's positioning in each market. By assessing what the firm and the people within it are particularly good at, the owner manager has to identify the areas of business where the firm can be most successful, and least successful (Brown and Rick, 1987. p-5)

In principle, firms may choose varying degrees of segmentation, following an unconcentrated strategy involving little or no segmentation, a differential marketing strategy involving serving of multiple market segments with specific products and marketing programs, or a concentrated strategy under which the firm consolidates its efforts on one or a few particular submarkets. In practice, however, only large firms are able to follow the unconcentrated or differentiated strategies. The small firm must concentrate its limited resources on a marketing program designed to serve a limited well-defined group of consumers. To profitably serve regional and national market require large, complex organizational structures and certain economics of scale that go beyond the capabilities of most small firms (Chagnati and Chagnati, 1983, p-50).

According to Moyer (1982, p-13) the following information are useful for the small firms for customer analysis.

(i) Where do customers buy your products (or where they would prefer to buy them)

(ii) What attributes of the products are attractive to customers?

(iii) How rapidly are sales of specific products likely to increase?

(iv) What opportunities exist for segmenting the market into smaller groups which might be targets for unique product offerings?

Performance of smaller businesses depends on local market conditions. Focusing on local markets and avoiding the logistic and organizational complexities associated with distant markets seems to be the most appropriate strategy for small firms. Reasons advanced for the heavy dependence on local markets are lack of funds for extensive distribution and limited brand acceptance. Small businesses tend to have limited product and service lines targeted for a specific groups of geographic locations. Most small entrepreneurs cater to the lower end of the market. i.e., the price conscious segment. By focussing on local markets, savings can be made on advertising and distribution costs. The price conscious consumers would be easily won over by the lower price tag. Although costs in small units are low at certain scale of operations because of low overheads, margins are not enough to support significant growth. As a result, most of the units remain single brand product entities with little product improvement over the years. (Digests, 1994, p-5).

To be market focussed a seller must recognize whether there is an untapped source of customers and the product or service, presented in the right way to attract the right customers. (Steinhoff, 1978, p-91) While developing products, marketers must first identify the core

consumer needs the product will satisfy. They must then design the tangible product and search for ways to augment the product to create a bundle of benefits that will best satisfy consumer's desire than the competitor does (Kotler, 1989, p-298). "If we can ensure that the product meets the customer's needs, selling becomes a much easier task" (Brown and Rick, 1987, p-4).

Staley and Morse, (1965, pp.122-123) give some examples of products and services, where the small firms can meet the needs of customers successfully. Certain consumer goods as well as industrial goods, where the shipping costs are so high so as to limit a plant's effective market to its nearby hinterland are suitable for small scale industry. Products such as bottled and canned soft drinks, manufactured ice, ice cream and frozen desserts, prepared animal feeds, door and window frames, wood moldings etc, which are bulky, heavy or perishable accounting for high transportation costs favour small scale operation by small firms located near consuming markets.

Products with limited total demand viz, fresh and frozen packaged fish, rich milling, raw cane sugar, canvas products like tarpaulin covers, autoseat covers, leathergloves, lampshades, household furniture etc, are

naturally suited to small plants, if their manufacture does not require heavy equipment. Locational factors are the most significant in causing predominance of small plants in such industries.

The individualized requirements of a variety of industrial, institutional and business customers, often calling for quick execution, can in many cases be met most efficiently by small firms whose proprietors have face to face contact with their principal customers.

Products like printing ink, bookbinding, footwear, Glue, gelatin etc. where only simple physical operations are required in the manufacture are suitable for small scale industry. The principal operations for these products do not require machinery of great capacity to achieve meaningful scale economies.

Special tools as well as low-volume machine parts are usually custom-made in individual units. The opportunity for high volume economies on such small lot orders is limited by the low proportion of machine operating time to the time utilized in precision hand operations, tooling, and set up. These plants typically use general purpose machine tools which are versatile in performing a variety of standard metal cutting or grinding operations. Flexibility in shifting to new orders

and craftsmanship in their execution are at a premium in such establishments.

Assembly industries in general offer more opportunity to small-scale operations than continuous process industries. In an assembly unit many of the advantages of division of labour and finely coordinated production scheduling can be achieved even for relatively short production runs. (Siroplolis 1982.)

The fragmentation of needs and wants in market results in subgroups of buyers within the market, each displaying different customer satisfaction requirements. Such differentiation provides opportunities for businesses to design product offering to meet the need of customers in different market segments. The market place will therefore demand customized products and services. (Cravens, and Shipp, 1991, p-57).

Existing customers will remain loyal to a firm so long as they are convinced of the superiority of its products over those of competitors. (Kotey and Meredith, 1997, p-42). Most of the product failures are due to the undifferentiated nature of the products, which are marketed as commodities (Digest, 1993, p-4). The product has to be unique and truly innovative to achieve a major advantage in the market places, Unless

they are clearly differentiated they tend to be viewed as generic and can easily be imitated (Brentani, 1989, pp. 239-258).

Differentiation is most important in industries where there are sustained surpluses and excess capacity. Unless the smaller businesses are able to differentiate through ancillary intangibles offered, they are likely to be squeezed out by the largest competitors which, as a result of economies of scale and lower unit overhead costs, are able to underprice their smaller competitors consistently (Barker and Gimpl, 1982, pp.1-2).

The superiority and range of products offered by the firm will also determine its ability to attract new customers. Activities associated with market share increases will therefore include improving existing products to meet changing customer requirements; developing new products; and emphasizing product quality (Robinson and Pearce 1988, pp. 43-60).

Thorugh specialization the small firm can differentiate or compete with large scale manufacturers. The advantage of customer specialization is that the firm focus on a definite market which results in restricted competition (Chisnall, 1987, p-4). Also, the quality of customer service offered will determine a firm's ability to retain, new and existing customers, Customer services include, among others, assistance with

purchase decision, home delivery, customer credit, and prompt refunds for goods returned. (Kotey and Meredith, 1997 p-43).

Most strategies of most of the successful firms are built on differentiations, offering customers something they value that competitors don't have. A company has the opportunity to differentiate itself at every point where it comes in contact with its customers.

If companies open up their creative thinking to their customer's entire experience with a product or service they can uncover opportunities to position their offerings in ways that they, and their competitors, would never have thought possible. (MacMillan and McGrawth, 1997 p-133). Areas for differentiation of products include the product/service delivery system, performance of the product/service, the image of the company/product/brand/ and the customer's perceived price-value relationship of the product service(Cravens, David and Shipp,1991,p-56).

Small firms can take advantage of the growing interest in custom-built goods and carve out for themselves profitable micro-markets or market niches based on attractive styling and technical superiority. In overseas markets in particular, there are many opportunities for quality products where price is by no means the dominant bargaining factor.

Design should make the ,most of the qualities of utility, aesthetic appeal, and status association in order to increase value-in exchange, which is the root of successful trading. (Chisnall 1987, pp. 3-4).

Much of the success of small business lies in the fact that they develop products and services with high value added content. In other words, they offer their customers quality goods which are directly related to their needs. The small business has direct contact with customers and can act quickly to their demands. Specialization in product/service design is more likely to lead to success. High value-addition should be designed into the products and must match the customers expectations in terms of performance, price, delivery, after sales services etc. (Chisnall, 1987 pp.3-9).

Botton (1978 p-46) attributes the success of Scandinavian consumer goods industries in the world market to product differentiation by individual freelance designers. Barker and Gimpl (1982, pp.1-2) notes, how an enterprising Japanese grower differentiated apples. The red delicious apples offered for sale by one supplier would normally be indistinguishable in a given market from those offered by another. The only difference would be the price and possibly the brand name. To differentiate his product, the Japanese grower attached to his ripening

apples a piece of cellophane tape with the characters for health, good luck and happiness imprinted on the tape. When the tape was removed the characters where branded into the skin of the apple, thus providing a unique way of branding and differentiating that particular grower's apples. Packed four in a special box, these proved to be a very popular wedding gift and sold for many times the usual price of apples in Japan.

Market turbulence and competitive threats of the 1990s place a high priority on innovation. (Cravens and Shipp, 1991, p-57). A useful watchword for management is to `innovate or die'. New product development and adoption of new production and marketing methods are associated with creativity and innovation. (Kotey and Meredith, 1997, p-44). Innovation is defined as the creation of something new and different.

Companies that achieve a competitive advantage often are first in the market with a truly innovation idea. The new services they develop are superior, they solve previously poorly solved problems or they offer customers better value. (Brentani, 1989 p-247). An innovation that is similar to existing products cannot be highly differentiated and therefore cannot have a major advantage over the existing products or competitors.

The greater a new products relative advantage the more radical is its performance (Gatignon and Xuereb, 1997 pp. 80-82)

Most researchers agree that the underlying variables which explain new product success include understanding and responding to customer needs, marketing proficiency, top management's support for the new product uniquencess and superiority and effective project management. Innovative marketing requires that the company continously seek real product and marketing improvements. The company that overlooks new and better ways to do things will eventually lose to a company that finds a better way (Kotler, 1991 p-640).

Innovation involve willingness to change. Change in turn involves some degree of risk-taking by owner-managers. Those who place high value on creativity and innovation are also likely to value competence, personal growth, risk-taking, and optimism. Firms which perform below average tend to avoid risk and involve little innovation (Kotey and Meredith 1997, pp. 39-44). Most Sucessful innovative firms select certain types of a new products as a function of market competitive characteristics. Consequently, a competitor orientation is required for the commercial performance of innovations. (Cooper 1984, pp.151-164).

The more customer-competitor oriented the firms are, the greater the relative advantage of their innovations. Thus customer orientation and competitive orientation are needed for designing innovations that have a strong relative advantage. (Gatignon and Xuereb, 1997, p-80). The nature of the innovations is affected by the level of competition intensity. In particular management must pay greater attention to costs in a competitively intense market, partly because of the greater pressure on prices (Porter 1980). In today's markets, the speed of product introduction can spell the difference between success and failure. Quick innovation and product introduction also increase a company's ability to respond to a fast changing market place.

In Large companies rigid structures inhibit speedy introduction of new products and technology. The entrepreneurial nature of the small firms facilitates innovation. The entrepreneurial nature of the small firms is positively correlated with innovation. "Formalization and centralization are considered to vary inversely with innovation" (Khan and Manopichetwattana, 1989,p-589).

"Entrepreneurship is the capacity for innovation, investment, and expansion in new markets, products, and techniques" (Siropolis, 1982, p-29). The entrepreneur is the primemover in economic development; his

function is to innovate or carry out new combinations. Five typess of innovations are distinguished. The introduction of a new good; the introduction of a new method of production; the conquest of a new source of supply; the introduction of new materials; and the creation of a new type of industrial organisation. Anyone who performs this function is an entrepreneur (Ramana and Papaiah, 1998, p-51).

**Competitor Orientation**

Competitor orientation means that a seller understands the short-term strengths and weaknesses and long-term capabilities and strategies of both the current and the potential competitors so as to satisfy the current and expected needs of the seller's target buyers. (Narver and Slater, 1990,pp20-35). Competitor orientaion enables an organisation to stay viable and give superior benefit to the target customers than the competitors. Customer orientation and competetor orientation thus over-laps. (Webster, 1988, pp29-39). A competitor orientation can be defined as the ability and the will to identify, analyze and re-spond to competitor's actions (Narver and Slater, 1990)

In a highly competitive economy, success generally favours the venture that does its job with superior skill. (Siropolis, 1982, p-321). Most researchers now incorporate some aspect of competitive superiority as

an essential indicator of success. (Brentani, 1989, p-246). Various studies have revealed that growth firms are marked by a strong competitive drive. Succesful manufacturers stated that a strong desire to compete in the business world is an essential element of survival and growth. (Staley and Morse, 1965, p-131).

In a highly competitive market, a firm needs a strong competitor orientation to identify the competitor's strengths and weaknesses to develop competitive advantages, and anticipate competitors reactions. Consequently, the required level of competititor orientation of a firm must be highly linked with the competitive level of the markets in which the firms operate. (Gatignon and Xuereb, 1997, pp.77-90).

Furthermore, competitors are particularly attractive to each others move in high-growth markets in whcih strong competitive rivalry has been observed (Ramaswamy, Gatignon, and Reibstein 1994,pp. 77-90). Therefore, a strong competitor orientation is also necessary to track and anticipate competitive activities.

Market oriented entrepreneurs must also review competition periodically and respond to competitor activity by formulating appropriate marketing plan to serve the customers more efficiently

than the competitor does. The marketing plan provides the proper mix of product, price, distribution, and promotion variables. These four variables are not placed in neat strategic cells but are closely interrelated. A successful marketing plan revolves around putting together the proper blend of marketing mix more effectively than the competitor does. Mnagement should look for a blend that allows the business to distinguish itself in the market so that competitive challenges can easily be met. ( Kirk and Noonan, 1982,p-5)

Most firms that survive for any period of time possess unique skills that have been translated into success. The firms must collect data that measure areas of strength and weakness. Thus, the firm may inventory its plant and equipment (age, condition, etc.), its personnel (age, skill levels etc.), its financial status (balance sheet condition, borrowing power, liquidity, etc.), its product development record, and other performance criteria. (Moyer, 1982,p-10)

Within any given market segment there are initial success factors for winning the business eg: reliable delivery, acceptable design, low running costs and so on. It will be essential for the company to estabilish what when and how well it compares with its closest competitors when measured against these factors.

Moyer (1982p-10) gives a list of information useful for competitor analysis.

* How do customers view your competitors products and services?
* What is the competitors financial status?
* Do the competitors sell a full product-line or do holes exist that you might fill?
* What are the competitior's apparent stategies?

Do they provide opportunities or pose threats that your planning should take account of ?

* What strategic moves are competitiors likely to make in the near future?

What would be an appropriate response to these moves?

* How do their costs compare to your's? Does the disparity in your costs create problems (opportunities)?
* How big are the competitiors marketing budgets? increasing or decreasing?
* What specific strengths and weaknesses (aside from those covered above ) do the competitors exhibit?.

The performance of an enterprise is determined by the business strategy it adopts. A business strategy is an overall plan of action which defines the competitive position of a firm. For example, a firm may choose to compete by producing high quality goods or by producing at low cost. Business strategies are implemented through the major functional strategies of marketing, finance, human resource mangement,

production, and research and development, In turn, each functional strategy is made up of several activities. (Kotey and Meredith, 1997, p-38)

To gain a competitive advantage a business can pursue differentiation and /or low cost strategies. To be a low cost supplier the firm must possess internal efficiency and scale economy. Teece, Pisano and Shuen (1997,p-25), have argued that some sources of competitive advantage are so complex that the firm itself does not understand them.

In low cost strategy, the competitive position of a product is its cost. The lower the cost, the greater the potential for profits, either by setting higher margins or by generating the market with a lower price. Narver and Slater (1990,p-30) found a positive relationship between cost advantage of a business and its profitability.

For each product/ Industry, there exists a certain minimum economic size below which the unit will not be viable. The minimum economic size of a unit varies from industry to industry, depending on the nature of the product to be manufactured, complexity of the manufacturing process, size of the market, avilability of raw materials, nearness to market and other factors of production like capital and labour. To remain competitive the small scale industries must consider these

factors and choose industries were the optimum size of the plant is small. (Desai, 1991, p-410)

If the cost of setting up a plant of efficient size in the desired line is not too high and if the cost per unit of output in such a plant approximates that of established firms, then an entrepreneur has a reasonable expectation of success (Peterson, 1982, p-14). Preston (1977,pp13-19) states that most of the successsful small business industries are those in which the firms' optimum scale is small and those which are built on successful specialization.

But virtually every product, service or the way they are produced ;and delivered can be copied, often in a different part of the world, almost overnight. The solution lies in identifying the intangible competitive advantages that are not easily visible to the competitors and therefore almost impossible to copy. The benefits are a sustainable competitive advantage, lower operating costs and higher revenue (Whitehill,1997, p-621). As tangible assets and resources offer decreasing competitive advantage, organisations must turn to their intangible assets. Intellectual capital such as patents, brands and organisational or process knowledge are typical competitive advantage that cannot be copied (Whitehill, 1997,p-621). Trade secrets and certain specialized

production facilities and engineering experience are examples of competitive strenghts, whcih are difficult to imitate(Teece, Pisano and Shuen, 1997,p-516).

Production methods become obsolete over time, and firms will not be competitive if they do not adopt new production technologies (Anderson, Cleverland, and Schroeder 1989; pp133-158). Competitive firms are strongly R & D - oriented, are proactive in acquiring new technologies, and use sophisticated technologies in the development of their new products (Cooper,1994; pp.60-76).

Levitt (1981,pp.102) argues that companies can reduce costs by substituting capital for labour and by introducing latest technology. Mitchell and Mabert (1986,p-16) states that firms must be prepared to incorporate robots in their manufacturing operations Installation of robots have improved the competitive strengths of the small manufacturers. New production technologies are necessary for new lines and for improvements in existing lines. However, adopting new technologies without attention to cost will leave firms vulnerable to competitors selling similar products at lower prices (Wright *et al* 1990).

Small firms find it difficult to keep abreast of technological change. Firms that select product categories which are subject to fast changes in technology and high obsolescence rate will find themselves trapped in declining market. (Bolton, 1978,p-114).

The flexible manufacturing technology allows a firm to produce differentiateed products, whereas the inflexible techology limits the firm to produce a homogenous product. (Roller and Tombak p,1993,p-108)

Fashion goods viz. women's apparels for example possess features which generally possess a short life. In such cases, the products can be modified to meet what is wanted by the customer. Here, flexibility allows for reduced lot sizes, quick change over, minimal inventories, and simplicity. Similarly, most of the engineering units which mainly consists of assembling and fabrication, the customer needs could be met by modifying the product with out any alteration of the machinary. (Vesey, 1991,p-32)

A study on small firms (Chagnati and Chagnati, 1983, pp. 50) found that the most profitable group of small firms took an approach that seems to combine salient elements of different strategies. They concentrated on local markets, offered a board line of products, and frequently changed

the products offered. This combination seemed to work very well in generating profits. This indicate two things: first products offered and markets served together determined the profit level of a small business. Stressing only on product or market aspects limits profitability second business location is important. Proximity to markets appears to enhance profitability for small business.

The percentage of the sales to local markets was higher, the product lines broader, the frequency with which they modified products or introduced new ones was very high. Breadth of product line in the losing firms was relatively narrow despite the fact that the firms offer mostly customized goods. Frequency with which the firms modified old products or introduced new ones was relatively low. Moyer and Roberts (1986,p-821) found that small firms benefits ;from capitalizing on their expertise, developing products based on a single core technology.

Some technical and business forces moderate the trend towards bigness and give the competitive advantage to small plants. The owner/manager of small business must gain an understanding of small business marketing limitations and concentrate on the advantages typically possessed by a small enterprise. In a study on small firms, it was found that those firms that exist because they fill the cracks between th

standardized outputs of large firms reported no competition from larger or smaller firms. This is perhaps largely because they fit into the voids in which larger firms find operations unprofitable (Staley and Morese,1965,pp. 100-129).

The most important competitive advantage for the small business is the ability to select target segments that are not economically viable for large firms. With rapidly changing markets, small businesses can identify key market segments early and act quickly with a balanced strategic plan. Millions have been made by small computer software companies that have serviced segments too small for IBM to consider. (Kirk and Noonan, 1987,p-5)

Rajan (1990, pp. 38-40) gives an example which explains the advantages of small manufactures to cater to the needs of small segements. The break of the retail price of Rs 100 per Kilogram of branded potato chips produced by large scale manufacturer is as follows. Raw materials cost Rs 29; packaging Rs 18, flavouring Rs17; excise Rs 6; stockist and retailer margins take up Rs 20; and the company is left with a mere Rs 10 to meet establishment costs, which are in the region of Rs 20 per 100kg for a 70 tonne output per month.

One analogy likens the large firm to a giant oil tanker, which takes five miles to turn and 20 miles to stop; the small firm by contrast is likened to a speedboat. The large firm's advantage is its power and momentum once embarked on its course, whereas the small firm's advantage is its speed and manoeuverabity. (Brown and Rick, 1987, p-41)

Small firms have distinct advantages in the following situations.

1. When the personal attention of the owner is essential to daily operations.
2. Where personal services, either professional or skilled are dominay.
3. When the market for the product or service is mainly local.
4. When the firm deals in perishable materials or products.
5. When only a limited market is available or sought.
6. When the industry is characterized by wide variations in demand or in styles.
7. When closed rapport with personnel is essential to meet the customers specifications.

Proximity of markets and raw material is another competitive advantage possessed by certain succesful firms. Certain catogeries of industries located near the market has a competitive advantage over rivals. This is particularly true of the industries with manufacturing process that involves an increase in weight and / or bulk. In such cases, the transport and distribution costs can be minimised by being closer to the market.

Bottling of drinks is a very good example. Industries with fragile and perishable output also have a tendency to be located closer to the markets. Location is more vital in some industries than other (Cherunilam, Francis, 1986, p-254).

Staley and Morse (1965, p-112) have found that the industries in which small plants have advantage can be grouped into eight types. Three of these types are strongly influenced by factors whcih make for dispersed location and hence for smaller plant size, than if the industry were geographically concentrated. Three others involve production processes in which scale economies are not pronounced or in which there is a positive advantage in small-scale operation. The remaining two are characterized by small or differentiated markets.

The grouping is as follows:

**1. Locational Influences**

1A. Factories whcih process a dispersed raw material

IB. Products with local markets and relatively high transfer costs.

IC. Service industries

**II. Process Influences**

II.A Separable manufatcturing operations

IIB. Craft or precision handwork

IIIC. Simple assembly and mixing.

**III. Market Influences**

IIIA. Differentiated products having low scale economies

IIIB. Industries serving small total markets.

Another competitive advantage is the educational competence of the organisation to continuously develope and improve the performance of the staff. This is due to their training and development. The competitive advantage, however, is in the development and design of the training courses. (Whitehill, 1997,p-622)

Like individuals, firms have reputations. Reputations often summarize a good deal of information about firms and shape the responses of customers, suppliers, and competitors. It is some times difficult to disentangle reputation from the firm's current assets and market position. Reputational assets are best viwed as an intangible competitive advantage that enables firms to achieve various goals in the market. (Teece, Pisano and Shuen, 1997, p-521)

Finally the end products itself brings in competitive advantage for the firm. End products, are the final goods and services produced by the firm by utilizing the competences that it prossess. The performance (Price, quality, etc) of a firm's products relative to its competitors at any point in time will depend upon its competences. (Teece, Pisano and Shuen,1997,p-516).

Karakaya and Stahl (1989, pp.80-91) states that competitive advantages possessed by firms act as entry barriers which decreases the liklehood, scope, or speed with which potential competitors can come into the markets. Cost advantage of the incumbents whcih usually results from economics of scale is one of the most important entry barrier. Product differentiation, brand loyalties by heavy advertising, large financial resources effecting scale economy, investments in research and development which increases technological scale ecnomies are some of the competitive advantages that acts as a barrier for new entrants. Porter (1991, pp95-117) explains that over time, managers can create and sustain competitve advantage by the continous innovation, improvement and upgrading of resources.

## Long Term Focus

Several literature on market orientation suggests that the overriding objective of a business is profitability in the long run.(Narver and Slater, 1990, pp.20-35).The definition of marketing implies that to be successful, marketing must maximize profitable sales over the long run. The customers must be satisfied in order for a company to get the repeat business that ordinarily is so vital to success. (Stanton and Futrell, 1987, p-6) Marketing concept is long term oriented, does not think of immediate profits, but long term profit by customer attraction and retention. The purpose of the marketing concept is to help organizations achieve their goals. In the case of business organizations, the major goal is profit. (Kotler, 1986, pp.18-22)

Most studies on small firms have reported positive relationship between long term focus and financial performance. (Schwenk and Shrader, 1993, pp.33-61). If a company prospers in the long run, it must be doing a reasonably good job of satisfying its customer's current social and economic demands. (Stanton and Futrell, 1987, p-15). The unprecedented changes now taking place with regard to interest rates, inflation, international competition, consumer life styles etc. make long

term focus essential for all businesses, large or small. (Kirk and Noonan, 1982, p-1).

To be market oriented, the company must develop a plan for achieving its long-run objectives. There is no one strategy that is optimal for all competitors in an industry. Each company must determine what makes the most sense in the light of its industry position and its objectives, opportunities, and resources. Excellent companies adapt and respond to a continuously changing marketplace through the practice of market oriented strategic planning. They develop and maintain a viable fit between their objectives, resources, and opportunities. Strategic management, implies making choices that best align the organization with environmental demands. Strategic planning for a firm's future is one of the most exciting business concepts in practice today. It is normally an ongoing and detailed formulation of plans showing how well defined objectives can be accomplished in the long run. (Kirk and Noonan, 1982, p-1). Every organization needs to identify what competencies the existing, or target markets will require in the future. What different or additional resources will be required? What additional or different capabilities will be required?

Small business is, in general, more vulnerable to the effects of the environment. Given its limited financial and human resources, it spends more time adjusting to turbulence than being long term focused (Amboise and Marie, 1998, p-227). A study on small firms revealed that fewer than one quarter of the sample firms carried efforts to anticipate sales and profit changes, one fifth of the surveyed firms evidenced a complete absence of any strategic thinking. Instead they focus on short term profitability and sales and ignore market functions such as customer satisfaction that ensure the long term health of an organization (Sexton and Auken, 1982, p-25). The time and energy of most of the small entrepreneur is absorbed almost wholly in routine work. The small business has little scope to concentrate on tasks involving decision making and planning for the growth of the enterprise Siropolis (1982, p-39) found that financially successful entrepreneurs are more interested in the long term profitability and growth of the firm. The decision making activity of the owner manger is moulded through repeated crises management, focussing on day to day decisions with relatively short time spans. (Sexton and Philip, 1982, p-21). Most small manufacturers are product orientated and they are inclined to concentrate on the design and production of goods at the expense of proper attention to long term growth and profitability. Consequently,

opportunities for expansion, specialization, and diversification may be missed and firms may find themselves trapped in a declining market. (Bolton, 1978, p-113).

Smith and Miner (1983, pp.325-40) identified two types of entrepreneurs, the craftsman entrepreneur and the opportunistic entrepreneur. The craftsman entrepreneur is characterized by narrowness of education and training, low social awareness and involvement, a feeling of incompetence in dealing with the social environment, and a limited time horizon. The opportunistic entrepreneur is characterized by a certain degree of education and training, high social awareness and involvement, confidence in their ability to deal with the social environment, and an orientation towards the future. For long term survival amidst severe competition no business can avoid a long run presepective (Andreson, 1982, pp.15-26). Siropolis (1982, p39) found that financially successful entrepreneur are more interested in the long term profitability and growth of the firm.

Each company must continuously review the level and type of investment needed to stay viable in a given industry. It must do its best to monitor the changing environment so that it does not suddenly become

an obsolete organization. Market oriented firms are very active in the search for and evaluation of new investments. They are very active in anticipating changes in the marketplace and looking for ways to take advantage of these changes. (Jones, 1982, p-18)

Firms with superior systems and structures operate profitably because they have markedly lower costs, or offer markedly higher quality or product performance(Teece, Pisano and Shuen, 1997, p-513). Thus to stay ahead of competitors, firms must not only offer new and superior products, but must do so at prices affordable to consumers. This requires the implementation of new and efficient production technologies and attention to employee productivity (Kotey and Meredith, 1997, p-42)

Low cost products are the only surefire winners (Peters and Waterman, 1992, p-43). Optimum firm which enjoys internal efficiency and scale economy can operate with lowest average cost and compete effectively in the market. (Cherunilam, 1989, pp.176-177). One of the most important things to consider when formulating plans to start a business is the size of the operation. The nature of some types of technology and the organisation of certain business processes require that a company be relatively large to be operated cost-efficiently. It is important for a manager to know how a firm's unit cost of production

will behave as output increases in different size plants before committing resources to anew business. Obviously, if one enters at a scale smaller and less efficient than the least cost sized plant, already established,firms can be expected to have a competitive edge (Peterson.1982,p13). Optimum firm means a firm operating at a particular scale in existing conditions and organizing ability has the lowest average cost of production per unit, when all those costs which must be covered in the long-run are included (Cherunilam, 1989,pp.176-177).

The optimum firm achieves equimarginal returns from all resources or factors of production. It indicates a rational allocation of resources and a combination of inputs to secure maximum profit due to the lowest average cost. The optimum level of small industry organisations is influenced by a) technical production economies, b) managerial economies, c) marketing economies and d) nature, size and stability of demand. Long term investment prospective must aim in internal efficiency and scale economy in the long run so as to remain competitive in the market.

Location is also an important factor determining the ultimate success or failure of a small unit in the long run. Locational decision must be

influenced by long term profitability and ability to operate efficiently, rather than considering the initial cost of investment. Selection of site must be governed by factors like nearness to market and raw material, manufacturing and transportation cost. One study examined the location decisions of fifty electronics firms and found that entrepreneurs of these firms considered factors like initial cost of facilities without considering the long term competitive strength of the firm. (Chagnati and Chagnati, 1983, p-44). The important factors, which should be taken into account in the selection of a site, are (i) availability of raw materials; (ii) availability of skilled and unskilled labour; (iii) nearness to market; (iv) availability of transport facilities. The various factors affecting the economic size of unit may be conflicting in some cases. In such instances certain compromises may have to be made. For instance when the likely demand for the product is not adequate to justify the size of the project, it would be necessary to compromise on the technological efficiency criteria choosing a lower scale of operation, signifying thereby a part of technological efficiency (Desai, 1991, pp. 411-413).

One of the main handicaps of small industrialists being shortage of funds to buy modern machines and tools, they are forced to use old and outmoded machinery which effects both the quality and quantity of their products and the cost efficiency too. Few entrepreneurs go through a

logical process of site selection. Instead, they often permit personal preference to influence their decision on where best to locate. Their meagre resources induce small industrialists to use cheap and inferior type of materials which naturally affects the quality of their finished products (United Nations 1969, p-29). One study examined the location decisions of fifty electronics firms and found that entrepreneurs of these firms considered factors like initial cost of facilities. (Chagnati and Chaganti 1983, p-44).

Industries, where entry is easy because of low technical threshold, is characterized by over crowding of manufacturers and consequently subnormal profits, making it impossible for small firms to grow significantly. Such a situation can be prevented if the small firms have a long term orientation. To be market oriented, the small business must have a long term perspective in the selection of machinery, technology, location, market etc. and adopt a logical process in the selection of these factors, rather than considering immediate savings on investment. ie Long-run investment perspective is implicit in market orientation. (Desai, 1991, pp.410-422).

To find the right location for the plant, entrepreneurs generally should seek to balance three factors: (i) sales revenue (ii) manufacturing costs

(iii) transportation costs. Planning requires entrepreneurs to anticipate. the potential market of their venture, the potential costs of meeting the demands of that market and the potential pitfalls in organizing the operations of the venture. Siroplolis (1982, p-136) Suggests the following process for investment decision process (1) identification of firm's unique resources (2) decision on which markets those resources can earn the highest profits and (3) decision on whether the profits from those assets are most effectively utilized. (Teece, Pisano and Shuen 1997,p-574) suggests the following steps for firms to have a long term perspective (i) identify the firm's unique resources (ii) identify the markets in which these resources can earn the highest profits and (iii) find how the profits from those assets can be most effectively utilized.

Profits could go up or down in a particular year for many reasons, including rising costs, falling prices, major investments, and so on but the ultimate sign of a healthy company is that its customer satisfaction index is high and keeps rising. Customer satisfaction is the best indicator of the company's future profits. So all decisions in the selection of machinery, technology, location, mode of transport, selection of market and marketing mix must have a long term perspective. A business must view customer satisfaction, market share and profit as goals to be achieved in the long run. To maximize its long-run profits, a

business must build and maintain a long-run mutually beneficial relationship with the market and continuously create superior value for its target customers. To create continuous superior value for customers, a business must have greater market information, be customer oriented, competitor oriented and interfunctionally coordinated. All components of market orientation are thus interrelated. (Narver and Slater, 1990, pp.20-35)

**Interfunctional Co-ordination**

For an organization to adapt to market needs, market intelligence must be communicated, disseminated, and perhaps even sold to relevant departments and individuals in the organization. Market orientation is not solely the responsibility of a marketing department. It is critical for a variety of departments to be conizant of customer needs and to be responsive to those needs, (Kohli and Jaworski, 1990, p-3)

Marketing is not a separate management function, rather the whole business as seen from the customers point of view. Marketing does not work when it is merely a department. It only works when all employees and departments work together with the twin objective of customer satisfaction and long term profit for the company (Deshpande and Webster, 1986, p-3). Creating value for buyers is much more than a

marketing function; rather, a seller's creation of value for buyers is analogous to a symphony orchestra in which the contribution of each subgroup is tailored and integrated by a conductor with a synergistic effect (Narver and Slater, 1990 p-2).

Integration of a business's entire human and capital resources to create superior value for buyers is the proper focus of the entire business and not merely of a single department (Webster, 1988, p-39).

It is based on environmental analysis, customer and competitor information and comprises the business's coordinated efforts, typically involving more than the marketing department, to create superior value for the buyers, ie market orientation entails 1) one or more departments engaging in activities geared towards developing an understanding of customer's current and future needs and the factors affecting them, 2) sharing of this understanding across departments, and 3) the various departments engaging in activities designed to meet customer needs. In other words, a market orientation refers to the organization wide generation, dissemination, and responsiveness to market intelligence. Therefore, any individual in any function in an organization should potentially contribute to the creation of value for buyers (Narver and Slater, 1990, p-22). To increase its market

orientation, a business must be consistent in adapting all of its systems to be customer and competitor oriented and effective in; coordinating interfunctional efforts to create customer value (Narver and Slater, 1990, p-28).

Enterprise operation involves numerous relationships such as with customers, suppliers, employees, bank managers, consultants, and competitors the nurturing of which is important to enterprise survival and performance, Relationships are built on trust, honesty, loyalty, respect, and responsibility. Owner/managers who desire above-average performance are likely to place greater emphasis on value closely associated with building relationships crucial to their business performance (Kotey and Meredith, 1997, p-45).

Interfunctional coordination refers to the specific aspects of the structure of an organization that facilitate the communication among the organization's different functions(Thomson, 1967, p-29). Interfunctional coordination allows for communication and exchange between the firm's organizational units (Moenaert *et al*, 1994, pp. 31-45). Horizontal communication both within and between departments serves to coordinate people and departments to facilitate the attainment of overall organizational goals (Kohli and Jaworski, 1990, p-6).

An organization must exchange with not one but several elements, each of which is itself involved in a network of interdependence, with its own domain and task environment (Thompson, 1967, p-29). Productive systems display high interdependency, and that it may not be possible to change one level without changing others (Teece, Pisano and Shuen, 1997, p-519).

Though a market orientation involves the efforts of virtually all departments in an organization, the marketing department typically has a larger role by virtue of its contact with customers and the market. Marketing begins with top management. Only top management can provide the climate, the discipline, and the leadership required for a successful marketing program. A favourable attitude on the part of top management is the key to implement the marketing concept successfully. "Any company is nothing but a marketing organization" (Stanton and Futrell, 1987, p-147).

Coordinated marketing or interfunctional co-ordination means two things. First, the various marketing functions - sales force, advertising, marketing research etc-must be coordinated among themselves. Second, marketing must be well coordinated with the other departments in the company. Marketing does not work when it is merely a

department; it only works when all employees work in a concerted manner for fulfilling customer satisfaction. The manager must draw upon and integrate effectively, as well as adapt as necessary, its entire human and other capital resources in its continuous effort to create superior value for buyers (Kotler, 1986, pp.20-21).

Marketing's interdependencies with other business functions must be systematically incorporated in a business's marketing strategy by the top management. Companies must be able to adapt, integrate and reconfigure internal and external organizational skills and functional competence to match the requirements of a changing environment (Teece, Pisano and Shuen, 1997, p- 515)

If a business rewards every functional area for contributing to creating superior value for customers, self-interest will lead each area to participate fully. In developing effective interfunctional coordination, marketing or any other department must be extremely sensitive and responsive to the perceptions and needs of all other departments in the business. This is coplimented by lower unit cost and ability to offer quality products at market prices.

The level of interfunctional coordination of a firm can also influence the ability of the firm to take advantage of a new product to make it successful. Winners in the global market place have been firms that can demonstrate timely responsiveness and rapid and flexible product innovation, coupled with the management capability to effectively coordinate and deploy internal and external competence. Innovative firms scored highly for integrated decision making (Seetharaman 1992, pp. 50-55). Therefore, interfunctional coordination is the mechanism that enables different strategic orientations to work jointly.

Unlike Small firms, large companies usually face two impsong barriers. First, they generally have both multiple layers of administration and cross-functional decision-making groups. Second, their marketing organizations customarily rely on complex arrangements of communications methods and selling channels (Moriarty and swartz, 1989, p-104).

"Far too many mangers have lost sight of the basics, in our opinion: (quick action, service to customers, practical innovation, and the fact that you can't get any of these without virtually everyone's commitment" (Peters and Waterman, 1982, p-17). It is now realised that company

plans need to be flexible and responsive, rather than constrained by inflexibility inorder to be market driven (Brown and Rick, 1987, p-41).

Small businesses clearly have the ability to strike fast, while their counterparts in big business sometimes are shackled with bureaucracy and a painfully slow decision-making process (Kirk and Noonan, 1982, p-3).

There is a feeling of emotional involvement, determination and a pride in performance which it was felt, larger firms with their rigidity and bureaucratization could not equal (Bolton, 1978, p-23).

One of the outstanding characteristics of the small firms is the simplicity of its management structure as small firms are almost exclusively under their proprietors control. There is a world of difference between sophisticated structures of management, as seen in large corporations, and the adoption of sound principles of management.

Among the positive advantages in smallness is the flexibility in adapting to the buyer's wants, more personal relations with workers and customers. Flexibility gives the small business a competitive advantage. This attribute, should be highly prized by small entrepreneurs in their effort towards interfunctional co-ordination. The workers in a small

firm can more easily see the relation between what he is doing and the objectives and performance of the firm as a whole. Management is more direct and flexible. Rules can be varied to suit the need of the customer (Chisnall, 1987, p-2).

Miller (1963) noted that managers have greater influence on business strategy in small firms, where the manager is also the owner of the firm. Owner-mangers are powerful enough to override obstacles to the successful realization of their business strategies. They have enormous impact on their enterprises through their power of ownership and face to face contact with employees.

The effectiveness of the overall business strategy depends substantially on how well activities in the various functional areas are integrated to form a pattern (Porter 1991). This pattern defines the firm's business strategy and therefore competitive position within the industry (Mintzberd and Quinn 1991). The owner manager is thus at the center of all enterprise behaviour (Covin 1991). In short, small firms's environment is more suitable for interfunctional co-ordination than in large firms.

## CHAPTER III

# RESEARCH DESIGN AND METHODOLOGY

Organizations which possess certain competitive strengths will gain an edge over their rivals. Marketing is one of the important forces responsible for the success and growth of industrial process. Lack of marketing orientation, quite often result a good product, however it might be, in not receiving its due market share.

Analysis of several successful companies provides some general success indicators. These companies are very good at deciding where and when to compete. They have developed business systems that enable them to outperform the competition in producing and delivering the product or service. The primary task for entrepreneurs is to become more market driven. To become more market driven, firms must identify rapidly changing customer needs and wants, determine the impact of these changes on customer satisfaction and focus on developing strategies for competitive advantage.

Peters and Waterman(1982) in their study on successful large firms have identified two common traits in each of the companies:

1) a drive to provide superior service and quality to customers and

2) a drive to innovate and to develop new products and service.

In other words every one of these companies is marketing oriented. But Peter and Waterman do not look at small firms their major concern was and is with how big companies. Their major concern is with how big companies stay alive, well, and innovative.

It is the responsibility of every organization's strategic management to grow competitive knowledge and ability to meet customer requirements of the future. Large business organizations recognize the importance of marketing. They accordingly employ marketing experts in research departments and development staff to study trends and to improve techniques. The importance of marketing orientation in big business is indicated by large marketing budgets, high salaries for marketing personnel and the high visibility of the marketing department in the company organization. But what can the small firms do? Can it afford to be market driven? Can it choose the right type of product when consumers are becoming increasingly selective?

**Statement of the Problem**

Marketing practices of large companies have been studied extensively from many points of view. But very little information has been gathered on marketing practices and success of small firms partly because of their

diversity and partly because they are large in number. Small firms should stay, as historically they have played an important part; to test new products and process, to supplement the innovative efforts of larger firm, to provide a potential competitive threat to established firms and to maintain an efficient economic system which is flexible and adaptable enough to meet the changing needs of consumers (Bolton p-28).

The ultimate reason for the success of any firm lie not so much in the knowledge of how to handle machines and finance alone, but rather in a knowledge of people, the modes of their behaviour, the concepts the concepts of marketing the goods and services. Much of the research resources have been devoted to search for evidence that viable small firms are actually held back by lack of finance. This evidence in the form of specific instances is of course, difficult to find, since successful marketing oriented firms are obviously solving their financing problems. The vast majority of small business do not fail because of lack of finance as we are commonly told. In fact, lack of money is a symptom of deeper problems, such as their refusal to purchase new equipment or to move to a better location, thus keeping their costs high and limiting their distribution. The traditional concern about financing immediately come to the fore when a business does not do well. Lack of money is then quickly seen as the most important problem to be overcome. "In our experience, however, lack of

money is usually a symptom of poor performance in other critical aspects of the business, not the cause" (Beam and Carey, 1989, p-65).

Although different studies reveal lack of marketing orientation to be the most powerful factor working against the growth of successful small firms, no studies yet has been made in search of distinctive marketing orientation traits to be possessed by small scale industries for its success. Small firms are particularly vulnerable in their early years and their first objective must be survival. Direct experience is often costly and even dangerous for someone starting a business. To learn from the mistakes and successes of other entrepreneurs can reduce the vulnerability of small firms.

According to the census of small scale units, covering SSI units till March 31, 1988, labour problem led to the closure of 6777 units, dispute among owners led to closure of 11023, raw material problem 17010, natural calamity 10255 closures, financial problem to 4668 closures. While marketing problem led to the closure of 43451 units. More than one reason hit 49738 units.

Abraham (1991) has derived a forewarning system to predict potential business failure at the earliest by making use of empirical, financial and statistical computing techniques. There is no doubt that financial

analysis is an important aspect of appraisal but the potential of the market for a product is the overriding factor.

Sickness does not develop all of a sudden. Inefficient and declining firms will first receive punishing signals from the market in the form of low profits or losses. An analysis of unsuccessful and declining firms by Jonathan Bosewell indicated that major changes would be necessary for revival and a complete marketing reorientation. Most of these firms needed to make substantial investments if they were to revive; mostly in new plant and buildings. Potential sickness must be averted at the incipient stage (Bosewell, 1973, p-163).

The question why some new industrial units are winners while others perform poorly must drive ample research. The types of small manufacturing which persist and expand amidst giant corporations must possess a different orientation and certain qualities. A number of studies describe the attributes of marketing orientation. But they do not provide any information on the relationship between marketing orientation and business profitability of small firms.

Thus the study aims at measuring analyzing the extent of market orientation traits of successful and unsuccessful small firm and analyze its effect on business performance.

## Earlier Studies

No study on market orientation of small firms could be found from the review of literature. An attempt has been made to collect the elements of market orientation from a review of relevant literature on marketing. Review of the literature is presented in chapter II.

## Objective of the Study

The study has the following objectives

1. To measure the extent of marketing orientation possessed by small scale units.
2. To analyze the effect of marketing orientation on business performance.

## Research Design

To measure market orientation and analyze its effect on business performance the method followed by Narver and Slater (1990) in their study on the effect of market orientation on business performance has been adopted.

Since the study aims to measure the extent of market orientation traits possessed by different categories of industries and to analyze its effect on business performance, the study is descriptive and analytical in nature.

## Methodology

### Collection of data

The data for the study is collected from both primary and secondary sources.

### Secondary data

Secondary data collected includes published and unpublished data (office records) of Trivandrum District Industries Centre, the Directorate of Industries and Commerce, Bureau of Economics and Statistics and State Planning Board. Besides working papers, books and journals, published reports of both central and State Governments have aided to get necessary information for the study.

### Primary data collection

Primary data relating to marketing orientation traits possessed by the units and the business performance of the units have been collected by interview with the owners of small scale units.

### Content of market orientation

From a review of relevant literature and discussions with academicians four components of market orientation have been identified. Again multiple variables that categorize each of the components were drawn and classified from the review of literature. The variables identified were

submitted before five academicians and five marketing executives of professionally managed firms for their assessment. The items recommended by all of them were selected for the study.

The four components of market orientation identified and included for the study are

1) Customer orientation
2) Competitor orientation
3) Long term focus
4) Inter functional coordination

**i Customer orientation**

The variables under customer orientation included market intelligence, market focus, product differentiation and innovation. The extent of market intelligence of a firm is rated from the extent to which they carried out information gathering from primary and secondary sources; and the conduct of marketing research in the following areas.

i. Market size, market potential, market share, market characteristics, sales performances.
ii. Existing product, new product, technical development packaging service;
iii. Forecasting and pricing

iv. Personal selling, sales promotion, advertising effectiveness, public relations;
v. Distribution channels, middlemen, transportation
vi. Customer feed back, complaints, customer perception of competitive products / services, customer needs, preferences.
vii. International market characteristics, export possibilities and precedes.

Market focus of the unit is measured by rating the following abilities of the owner manager.

i. Ability to define and describe the target market of the unit's products.
ii. Ability to identify the features of the unit's products with maximum appeal .
iii. Ability to identify the benefits the customer gets from each appeal.
iv. Ability to identify the differential benefits which the unit's products possess.
v. Ability to anticipate change in the customer needs.

The innovation of the firms is measured from the ratings on product improvement, quality improvements, style changes, new services and new promotional techniques during the past five years.

The extent of product differentiation is measured from the ratings on the unit's product performance, attribute, price quality advantage, brand image of the product, delivery arrangement and after sales service done by the unit.

The promotional activities of the firm is measured from the rating of the unit's advertizing, personal selling, sales promotion, publicity and public relations carried on by the unit.

### Competitor orientation

The variables identified under competitor orientation include

i. Identification of competitors
ii. Review of competitors
iii. Knowledge of competitor's current and potential strengths and weaknesses
iv. Response to competitor activity
v. Possession of distinctive competitive strengths.

The identification of competitors is based on the extent to which the owner had a knowledge of the number of firms offering similar product/service/substitutes and the number of firms offering a similar product/service/substitutes to the same set of customers whom the firm serves. The firms review of competition is assessed from the extent of the owner-manager's knowledge of competitors marketing practices, marketing strengths, reactive pattern and the assessment of the competitors likely moves in the future.

The owner-manager's knowledge of the competitor's current / potential strengths and weakness is based on the extent of the respondents

knowledge of the competitor's key data viz sales, market share, profit margin, return on investment, capacity utilization; key success factors viz quality image, organization image, technical competence, product differentiation, scale economy, after sales service and from the extent of the owner's assessment of competitor's potential success factors. Response to competitor activity is assessed from the extent of product changes, product modification, price changes, promotional changes, distribution changes made in response to competitor activity.

The distinctive competitive advantages possessed by the firm is measured from the extent of competitive advantages possessed by the firm viz. (i) limited total demand for the product resulting in no competition from large scale industry (ii) efficiency in production, (iii) optimum plant size, (iv) modern technology, (v) nearness to market and raw materials, (vi) growing market, (vii) flexible manufacturing system, (viii) brand image and (ix) organizational image.

**Long Term Focus**

The unit's long term focus is measured from its long term objectives and the extent of its long term perspective of customer satisfaction and growth. The following items are rated to measure the units formulation of long term objectives.

(i) unit's assessment of long term sale and profit

(ii) unit's assessment of the industry's position after five years.

To measure the unit's long term perspective of customer satisfaction and growth, the following factors are considered by the owner-manager in selecting the line of business/product, market, location and machinery/technology have been rated.

i. Competition

ii. Demand for the product

iii. Marketing/product idea

iv. Entrepreneur's/unit's strengths and capability

v. Cost advantage over competitors

vi. Scale economy/operating cost

vii. Customer needs

viii. Long term profit and growth

The following items are rated to measure the unit's co-ordinaton of marketing functions

i. Collective formulation of marketing goals / plans by persons involved in different marketing functions

ii. Feed back to all persons in marketing functions by the owner- manager

iii. Active involvement of persons in marketing functions in modifying, designing or conceptualzing a new product

To measure the units co-ordination of marketing functions with other functions, the following items have been rated.

i. Extent of knowledge possessed by persons in different functions regarding customer needs
ii. Extent of knowledge possessed by persons in different functions regarding the unit's competence and limitations in satisfying customer needs
iii. The practice of appreciation/ rewards by owner-manager to persons in different functional area for contributing to create superior value to customers
iv. Extent of involvement of persons in different functions in modifying, designing or conceptualizing a new product
v. Extent of communication of owner manager to persons in different functions
vi. The importance of marketing functions as rated by the owner manger.

**Period of study**

Primary data is collected from the owner managers of small scale units during 1996-1997. Units registered up to 1990 only, have been included in

the study, to provide a minimum of five years to show symptoms of failure or success

**Area of study**

To avoid the extreme effects of industrialisation and industrial backwardness Eranakulam District which tops in the number of industrial units; and industrially backward districts like Kasragod and Wayanad have been avoided.

Based on the nature of production and services small scale industries in Kerala are classified into 41 categories by the Directorate of industries and commerce, Trivandrum. Trivandrum District which has units registered in 25 out of the 41 industrial classification has been selected for the study. Besides Trivandrum District stands first with regard to the extent of sickness as on 1990 ( Source :State Planning Board).

**Units Covered**

The study covered all the industrial units in Trivandrum district and registered with the Directorate of Industries and Commerce, as on March 1990 and existing at the time of primary data collection, providing a period of five years time for the youngest firms with a tendency for failure to exhibit symptoms of failure. Literature survey indicated that most of

the small scale units with a tendency to become sick, fall sick within a period of 5 years from their inception.

As registration of small scale industries is optional, many industrial units operate without registration. No information could be collected regarding their location and operation. The study has therefore been confined to those industrial units in Trivandrum Districts that are registered with the Directorate of Industries and Commerce, Trivandrum as on March 1990. The records maintained by the District Industries Centre (DIC) and the Directorate of Industries & Commerce, Trivandrum were used for preparing the list of units as on March 1990.

Pilot study revealed much difficulty in contacting owner/managers of closed units. Such units have been excluded from the study.

To eliminate the units which are traditional and do not use ideas of organization and management; (Staley and Morse, 1965, P 4) and to limit the study to manageable proportion tiny units as on 1990 have been excluded from the study. Pilot study revealed that the owner/managers of tiny units were not able to respond to most of the items on marketing orientation.

For the pilot study 30 units in Trivandrum district have been selected in random from the list of universe. Out of this, 14 units (46.67%) could not be located, while owner/managers of six units (20%) were reluctant to respond and give information, mainly on financial performance over the past five years. So, in order to get adequate number of response for the study, the whole population in Trivandrum district as on March 1990 was selected for the study. Sampling procedure was therefore not adopted.

As on 1990, 5455 units have been registered in Trivandrum district. (Source: Directorate of Industries and Commerce, Trivandrum). Out of this 5077 units (93.07%) belonged to tiny units with an investment of upto Rs.2 lakhs and 378 units have an investment of above Rupees 2 lakhs. Among the 378 units in the framelist, 69 units could not be traced or have been closed down, while owner-managers of 51 units were reluctant to furnish informations eventhough they were assured of their anonymity. The remaining 232 units were finally selected for the study. Stratification of the units based on sickness also could not be done as the concept of industrial sickness lacks unanimity and only a negligible portion of the sick units have been identified under the new definition of sick units by the Reserve Bank of India. In order to identify sickness, it is necessary to refer back to the balance sheet and profit and loss account for a period of 5 years, which the pilot study revealed as not easily accessible as most of

the units were reluctant to disclose and/or most of the units do not maintain proper financial statements over the years.

**Table 3-1**

**Shows the List of Units in Trivandrum District Excluding Tiny Units (as on 1990) and the Units Subjected for Study**

| Category | No.of Units in Trivandrum District as on 1990 (excluding tiny) | Data collected |
|---|---|---|
| Food A | 14 | 14 |
| Food B | 48 | 29 |
| Beverages, tobacco and tobacco products | 2 | Nil |
| Wool silk and Synthetic fibre | 1 | Nil |
| Hosiery and Garment | 4 | 4 |
| Wood products | 62 | 35 |
| Paper product and printing | 57 | 35 |
| Leather and leather products | 3 | Nil |
| Rubber and plastic products | 42 | 22 |
| Chemical and chemical products | 19 | 12 |
| Non metallic mineral products | 12 | 8 |
| Basic metal industries | 3 | Nil |
| Metal products | 34 | 27 |
| Machinery and parts except electrical parts | 14 | 9 |
| Electrical machinery apparatus | 25 | 21 |
| Transport equipments and parts | 2 | Nil |
| Miscellaneous manufacturing industries | 3 | Nil |
| Real estate and business sources | 7 | Nil |
| Education scientific and research | 1 | Nil |
| Repairing services | 25 | 16 |

## Construction of Tools and Pretest

The final interview schedule was designed after the draft was tested in the pilot study. Responses were recorded in a 5 point scale with a 1 indicating that the unit does not engage in the practice at all or do not agree to the idea/concept or do not possess any knowledge at all and 5 indicating that the unit engages in the practice to great extent or fully agrees to the idea/concept or is highly knowledgeable on the area of interest or possess the specific strengths to a great extent. Additional informations have been collected in multiple choice or dichotomised structure format.

## Analysis

The units score of market orientation is the sum of the four components of market orientation ie (i) customer orientation (ii) competitor orientation (iii) Long term focus and (iv) interfunctional coordination. The measure of performance was based on the unit's average return on investment. Units with return on investment in between six to twelve percent were classified as moderate performers, taking into consideration the prevailing interest rates in banks during the period of study. The units below six percent return on investment are classified as low performers and those units above twelve percent return on investment are classified as high performers. The relationship between market

orientation and performance of the units was determined by using 't'-test and correlation technique.

## Significance of the study

The importance of small firms in job creation, technological innovation and in general economic rejuvenation, is accepted by most economists, management theorists and policy makers. The government has been following a policy of promotion as well as protection to small scale sector. Marketing is primarily an enterpreneurial responsibility and small scale units have been undertaking marketing operations of their own, although Government agencies provide indirect support to the marketing efforts of the small scale units.

As part of the new liberalisation policy it is understood that the union Government will soon bid good-bye to the policy of reservation of items for exclusive manufacture in the small scale industrial sector. This will effectively deserve over 830 items again. To prevent sickness and remain competitive, has become the primary task of the small firms in the changed economic scenario. The owner-manager should know more about any advantages he would face, the requireements for success and how to avoid the many failures in small business. The challenge to owner managers is to select the product and market areas where opportunities

for the small firm are most promising and to sustain competitive advantage in the targeted areas.

Though prediction of industrial sickness based on financial ratios is useful to predict business failure, sickness originates from the conception of the product. It is meaningless to predict business failure after investing much in plant and machinery. As studies suggest declining firms often needed to make substantial investments in new plant and machinery, if they were to revive. Identification of the significant characteristics of successful firms could yield valuable information to the entrepreneurs, government as well as to the lending organizations like banks financial institutions; and among entrepreneurs, whose marketing opportunities are much restricted due to lack of access to economies in large scale marketing.

The finding of the study will have implications for the would be entrepreneurs as well as for the practicing entrepreneurs. The findings would help them to understand the significance of market orientation, examine its characteristics and develop appropriate skills for improving their market orientation. For the would be entrepreneurs, the study would enable them to identify the marketing skills and attributes required for success.

## Scheme of the dissertation

The thesis is presented in six chapters. Chapter I highlights the importance of small scale industries and the necessity of developing market orientation among them. Chapter II is the summary of a detailed review of the relevant literature. In Chapter III methodology and design of the study is explained.

Chapter IV depicts the analysis of the market orientation of the small firms on the basis of the field data. In Chapter V a detailed analysis of the different elements and their sub elements are presented. Chapter VI presents the summary, conclusions and recommendations of the study.

## Limitations of the study

(1) The main limitation arises from the nature of the study. The information collected may be partially subjective as much of the informations collected are converted to quantitative terms using 5 point scale (Boyd, Ralph and Statsch, 1990, p-35)

(2) The sick units that are closed down and not operating were dropped from the study due to difficulties in contacting owner-manager of such units.

(3) A number of units could not be traced as per the addresses recorded in the Directorate of Industries and Commerce.

(4) Owner-managers of some units are reluctant to furnish necessary information and such units are excluded from the study.

(5) The performance of the firm is analyzed on the basis of the reports furnished by the owner managers of SSI units which may also be partially subjective.

(6) The study could not cover units registered after 1990 as a period of five years have been provided for the youngest firms to show symptoms of success or failure.

# CHAPTER IV

## Analysis of Market Orientation

This chapter presents the analysis and interpretation of the market orientation scores and performances of the 232 units studied, which come under 12 industrial categories. Analysis has been done in the following steps.

(1) Units are classified into high, moderate and low performers based on their business performances which is measured from their average return on investment over the past five years from the year of study.

(2) The mean market orientation score of the units in each of the high, moderate and low performance class has been found from the unit's individual market orientation score.

(3) The total market orientation mean of all the units under study in different category is found.

(4) The mean market orientation score for each industrial category is found from the market orientation score of the units in the category.

(5) `t'- test has been done to find the significant differences in market orientation among the high, moderate and low performers in each industrial category

(6) `t'- test has also been done to find the significant difference in market orientation among high, moderate and low performing class with the total market orientation mean.

**Food (A) :** There are 14 units in the category food (A). The performance level of the unit is presented in table 4.1

**Table 4.1**

**Distribution of the units in Food (A) category based on investment and performance.**

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 2 | 25 | 3 | 37.5 | 3 | 37.5 | 8 | 57.14 |
| 5-10 lakhs | 1 | 25 | 1 | 25 | 2 | 50 | 4 | 28.57 |
| 25-30 lakhs | 2 | 100 | 0 | 0 | 0 | 0 | 2 | 14.28 |
| Total | 5 | 35.71 | 4 | 28.57 | 5 | 35.71 | 14 | 6.03 |

From the investment break up of the units in this category it is observed that as the investment level rises the performance level also rises. Food (A) category constitues 6.03% percent of the total firms studied. Of this, the performance level of five units (35.71) are low four (28.5%) moderate and five (35.71%) high. Shows the corresponding market orientation

score of the there classes in food (A) category. The high performers get a mean score of 383.50, the moderate 340 and low 194.

**Table 4.2**

**Mean Market Orientation Score of High Moderate and Low Performers-Food(A)**

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High | 5 | 232 | 63.50 | 56 | 32 | 383.50 |
| Moderate | 4 | 200 | 58 | 52 | 30 | 340 |
| Low | 5 | 115 | 32 | 30 | 17 | 194 |

**Table 4.3(a)**

**Food(A) : t-value of mean market orientation score of High and moderate performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 5 | 383.50 | 22 | |
| Moderate Performers | 4 | 340 | 18 | 2.82* |

*R: $t \geq 1.895$* **Significant at 5% level*

**Table 4.3(b)**

**Food (A) : t- value of mean market orientation score of High and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 5 | 383.50 | 22 | |
| Low Performers | 5 | 194 | 19.5 | 12.91* |

*R: $t \geq 1.860$* **Significant at 5% level*

Table 4.3(c)

**Food (A) : t- value of mean market orientation score of moderate and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 4 | 340 | 18 | |
| Low Performers | 5 | 194 | 19.5 | 10.22* |

*R: $t \geq 1.895$* **Significant at 5% level*

Table 4.3(d)

**Food (A) : t- value of mean market orientation score of high performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 5 | 383.50 | 22 | |
| All Categories (Total Mean) | 232 | 254.58 | 82 | 3.50* |

*R: $t \geq 1.645$* **Significant at 5% level*

Table 4.3(e)

**Food (A) : t- value of mean market orientation score of moderate performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 4 | 340 | 18 | |
| All Categories (Total Mean) | 232 | 254.58 | 82 | 2.07* |

*R: $t \geq 1.645$* **Significant at 5% level*

The 't'-test result shown in table 4.3a shows that there is significant difference in market orientation between high performers and moderate performers. The high performers have more market orientation than the moderate performers. The 't' - value of 2.82 is significant at 5% level.

**Table 4.3(f)**

**Food (A) : t- value of mean market orientation score of low performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Low Performers | 5 | 194 | 19.5 | |
| All Categories (Total Mean) | 232 | 254.58 | 82 | -1.64* |

*R: $t \geq 1.645$* **Significant at 5% level*

Table 4.3 b shows that there is significant difference in market orientation between high performers and low performers. The t-value is 12.91 at 5% significance level .

The `t' test results in table 4.3c also shows that there is significant difference in market orientation between moderate and low performers in Food (A) category. The `t' value is 10.22 at 5% significance level.

Table 4.3d, 4.3e and 4.3f shows the difference in market orientation score of high moderate and low performers respectively with the total mean.

Table 4.3 d and 4.3 e shows that high and moderate performers have significantly higher market orientation than the mean market orientation where as table 4.f shows negative value of -1.64 indicating that the low performers have low market orientation than the mean market orientation.

**Food (B)**

In Food (B) category 29 units have been studied which constitutes 12.5% of the total firms in this category. Of this 8 units (27.58%) are in high performing class, 7 units (24.13%) in moderate class and 14 units (48.2%) in low performing class (Table 4.4). Their corresponding score of market orientation are 370.5, 335 and 182 (Table 4.5). In Food (B) category also the results indicate a positive relationship between market orientation and business performance.

**Table 4.4**

**Distribution of the units of Food (B) category based on investment and performance**

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 3 | 15 | 6 | 30 | 11 | 55 | 20 | 68.96 |
| 5-10 lakhs | 3 | 42.85 | 1 | 14.28 | 3 | 42.85 | 7 | 24.13 |
| 10-15 lakhs | 1 | 100 | 0 | 0 | 0 | 0 | 1 | 3.44 |
| 20-25 lakhs | 1 | 100 | 0 | 0 | 0 | 0 | 1 | 3.44 |
| Total | 8 | 27.58 | 7 | 24.13 | 14 | 48.2 | 29 | 12.5 |

Table 4.5
Mean market orientation score of high, moderate and low performers in Food(B) category

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High | 8 | 218 | 63.50 | 57 | 32 | 370.50 |
| Moderate | | 192 | 55 | 54 | 34 | 335 |
| Low | 14 | 107 | 30 | 28 | 17 | 182 |

Table 4.6a shows 370.5 as the mean market orientation score of the high performers with standard deviation of 42.5. The mean market orientation score of moderate performers is 335 with standard deviation of 19.5.

The 't'-value is found to be 1.9 at 5% which is more than the 't'-distribution critical value 1.72 and is significant at 5% level. This means that there is a significant difference in the market orientation score between the high performers and the moderate performers. This shows that market orientation is contributing to high performance of the group.

Table 4.6b shows the mean score in Market orientation of the high performers as 370.5 with a standard deviation of 42.5. The mean market orientation score of the low performers is 182 with a standard deviation of 29.5. The t-value is found to be 11.66, significant at 5% level. This means that there is a significant difference in the market orientation

score of the high performers and the low performers. The significance level is found to be at 5% level. This indicates that the high performers have more market orientation than the low performers, and that market orientation has a positive relationship to performance.

**Table 4.6(a)**

**Food (B) : t-value of market orientation score of high and moderate performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 8 | 370.5 | 42.5 | |
| Moderate Performers | 7 | 335 | 19.5 | 1.9* |

*R: t ≥ 1.72* **Significant at 5% level*

**Table 4.6(b)**

**Food (B): t-value of market orientation score of high and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 8 | 370.5 | 42.5 | |
| Low Performers | 14 | 182 | 29.5 | 11.66* |

*R: t ≥ 2.086* **Significant at 5% level*

**Table 4.6(c)**

**Food (B): t-value of market orientation score of moderate and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 7 | 335 | 19.5 | |
| Low Performers | 14 | 182 | 29.5 | 11.83* |

*R: t ≥ 1.729* **Significant at 5% level*

Table 4.6c shows the `t'- value of moderate and low performers. The mean market orientation score of moderate performers is 335 with a standard deviation of 19.5 The low performers have a mean score of 182 with a standard deviation of 29.5. The `t'- value is 11.83, significant at 5% level. This indicates that moderate performers have more market orientation than low performers.

Table 4.6d shows the `t'- value of high performers of this category with the total mean of all the units in the category. The `t'- value is 3.96 significant at 5% level, indicating that the market orientation of the high performers in the category is significantly higher than the normal average.

Table 4.6e shows the significant difference between the mean market orientation score of moderate performers in Food (B) and the mean market orientation of all units. The 't'-value (2.58) shows a difference at 5% siginificance level which shows that moderate performers in this category also possess high market orientation score.

Table 4.6f shows the 't'-value between the market orientation score of low performers in the category and the mean of all the units. The `t'-value is -3.29 at 5% significance level, indicating that the low performers in the category has low market orientation than the total mean.

Table 4.6d

**Food (B): t -value of market orientation score of high performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 8 | 370.5 | 42.5 | |
| All categories (Total Mean) | 232 | 254.58 | 82 | 3.96* |

*R: t ≥ 1.645* **Significant at 5% level*

Table 4.6e

**Food (B): t- value of market orientation score of moderate performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 7 | 335 | 19.5 | |
| All categories (Total Mean) | 232 | 254.58 | 82 | 2.58* |

*R: t ≥ 1.645* **Significant at 5% level*

Table 4.6f

**Food (B): t-value of market orientation score of low performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Low Performers | 14 | 182 | 29.5 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | -3.29* |

*R: t ≥ 1.645* **Significant at 5% level*

**Hosieries and Garments**

In Hosieries and Garments 4 units have been studied which constitutes 1.72% of the total units. All 4 units fall under moderate class

performance (Table 4.7). The mean score of market orientation of the four units are 300 (Table 4.8).

**Table 4.7**
**Distribution of the units in Hosieries & Garments category based on investment and performance**

| Investment in lakhs | Perfromance | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No.of units | % | No.of units | % | No.of units | % |
| 2-5 | 0 | 0 | 4 | 100 | 0 | 0 | 4 | 100 |
| Total | 0 | 0 | 4 | 100 | 0 | 0 | 4 | 1.72 |

**Table 4.8**
**Distribution of the units in Mean market orientation score of High moderate slow performers Hosieries & Garments category based on investment and performance**

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 145 | 57 | 67 | 31 | 300 |
| Low | 0 | 0 | 0 | 0 | 17 | 0 |

Table 4.79 shows the mean score of the moderate performersto be 300 with standard deviation 22. The 't'-value with the total 1.10 which is not significantly different. This shows that in Hosiery and Garment units have comparatively low market orientation.

Table 4.9

Hosiery and Garments t-value of market orientation score of Hosiery and Garments : and total market orientation mean.

| Group | No. of units | Mean | SD | t |
|---|---|---|---|---|
| Moderate | 4 | 300 | 22 | |
| Total Mean | 232 | 254.58 | 82 | 1.10* |

*R:t ≥ 1.645* *Not significant*

## Wood Products

In wood product category majority of the units studied are in high performance class. Of the 25 units covered, 19 units (54.28%) fall under high performance class, 9 numbers (25.71%) in moderate class and 7 in low (Table 4.10). The corresponding score of market orientation score are 370.5,335 and 182 (Table 4.11)

In the category also the units which keep a record of high business performance have a high score of market orientation.

Table 4.10

Distribution of the units in Wood Products based on investment and performance

| | Perfromance | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No. of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 | 18 | 52.94 | 9 | 26.47 | 7 | 25.58 | 34 | 97.14 |
| 5-10 | 1 | 100 | 0 | 0 | 0 | 0 | 1 | 2.85 |
| Total | 19 | 54.28 | 9 | 25.7 | 7 | 20 | 35 | 15.08 |

**Table 4.11**
**Mean market orientation score of high, modarate performance in Wood Products and performance**

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High | 19 | 97 | 51 | 54 | 16 | 218 |
| Moderate | 9 | 93 | 45 | 46 | 14 | 198 |
| Low | 7 | 60 | 27 | 25 | 12 | 124 |

The mean market orientation score of high performers is 218 with a standard deviation of 18. The mean market orientation score of moderate performers is 198 with a standard deviation of 28. The `t'-value of is 2.22 at 5% significant level Table 4.12(a) this shows that high and moderate group differ significantly in their market orientation.

Table 4.12 b shows the mean market orientation score, standard deviation and `t' -value of high performers and low performers. The low perforemers have a mean market orientations score of 124 only where as the high performers have a market orientation score of 218. The `t'-value is 10.76 at 5% level indicting that the market orientation score of high pereformers is Wood Product category is considerably higher than the low performers in the category.

The mean market orientation of score of low performers among Wood Products unit is 124 with standard deviation of 28. The `t'-value of the means of low and high performers is found to be 5.25 at 5% significant level indicating that the moderate performers have a considerable higher market orientation compared to low performers that the moderate performers in the category also have less market orientation Table 4.12(f) shows that the low performers in the categry also have considerably low score. The 't'-value is -4.19 at 5% significant level. This analysis shows that market orientation has little relationship to performance in Wood category.

**Wood Product - Market Orientation**

**Table 4.12 (a)**
**Wood Product : t - value of market orientation score of high and moderate performance**

| Group | No. of units | Mean | SD | t |
|---|---|---|---|---|
| High Performers | 19 | 218 | 18 | |
| Moderate Performers | 9 | 198 | 28 | 2.22* |

*R:t ≥ 1.746* **Significant at 5% level*

Table 4.12(b)
Wood Product : t - value of mean market orientation score of high and Low performers

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| High Performers | 19 | 218 | 18 | |
| Low Performers | 7 | 124 | 24 | 10.76* |

*R:t ≥ 1.711* **Significant at 5% level*

Table 4.12 (c)
Wood Product : t - value of mean market orientation score of moderate and Low performers

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| High Performers | 9 | 198 | 28 | |
| Low Performers | 7 | 124 | 24 | 5.25* |

*R:t ≥ 1.761* **Significant at 5% level*

Table 4.12 (d)
Wood Product : t - value of mean market orientation score of High performers and total market orientation mean.

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| High Performers | 19 | 218 | 18 | |
| All category (Total Mean | 232 | 254.58 | 82 | -1.93* |

*R:t ≥ 1.645* **Significant at 5% level*

Table 4.12 (e)
Wood Product : t - value of mean market orientation score of moderate perfromers and total market orientation mean.

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| Moderate Performers | 9 | 198 | 28 | |
| All category (Total mean) | 232 | 254.58 | 82 | -2.06* |

*R:t ≥ 1.645* **Significant at 5% level*

Table 4.12 (f)
Wood Product : t - value of mean market orientation score of low and total market orientation mean

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| Low Performers | 7 | 124 | 24 | |
| All category (Total Mean) | 232 | 254.58 | 82 | -4.19* |

*R:t ≥ 1.645* **Significant at 5% level*

Table 12 d shows the difference between the market orientation mean of the high performance units and the mean market orientation score of all the units in all the categories. The `t' -value is 1.93 at 5% level. The market orientation score of high performers in the category is less than the total mean. This reveals that the performance level of units in this performance is attributed to some other factors.

The difference between the mean market orientation score of moderate performers and total market orientation mean score also shows such a relationship. The `t' -value is -206 at 5% level.

Table 4.12 d shows the `t'-value of mean market orientation score of high performers in the group and the total mean score. Table 4.12(e) and 4.12(f) shows the 't'-value between the moderate performers and total mean, and between Low performers and total mean. The 't'-value is found to be -2.06 and -4.19 respectively, both the values are significant at 5% level, which means that the moderate and low performers have scores much below the average score of the total market orientation.

**Paper Products and Printing**

The performance of the units under Paper Products and Printing' is shown in Table 4.13.

In Paper Products and Printing also, majority of the units come under high performance class. Of them 24 units (68.57%) belong to high performing class, seven units (20%) in moderate and four units (11.42%) in low performing class. The corresponding score of market orientation of the three classes also show a positive relationship between market orientation and business performance. The high performing class have a score of 307, moderate 257 and low 135. Table 4.14.

Table 4.13
Distribution of the units in Paper Products and Printing based on performance and investment

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 20 | 66.66 | 6 | 20 | 4 | 13.3 | 30 | 85.71 |
| 5-10 lakhs | 3 | 75 | 1 | 25 | 0 | 0 | 4 | 11.42 |
| 25-30 lakhs | 1 | 100 | 0 | 0 | 0 | 0 | 1 | 2.85 |
| Total | 24 | 68.57 | 7 | 20 | 4 | 11.42 | 35 | 15.08 |

Table 4.14

Mean Market orientation score of high, moderate and low performers in Paper Products and Printing

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High performers | 24 | 145 | 66 | 68 | 28 | 307 |
| Moderate | 7 | 113 | 55 | 62 | 27 | 257 |
| Low | 4 | 64 | 23 | 33 | 15 | 135 |

Table 4.15a shows the mean market orientation score standard deviation (Sd) and 't'-value of high and moderate performers among the Paper Products and Printing units. The mean market orientation score of high performers is 307 with a standard deviation of 29, while the

moderate performers have a mean score of 257. The 't'-value is found to be 4.03 at 5% significant level. This indicate that higher the market orientation, the better is performance of units in this category.

The 't'-value between the low performers and the high performers is found to be 10.48 which is also significant at 5% level, which shows that the market orientation of low performers is lower than that of high performers (Table 4.15b).

Table 4.15c shows the t value between the mean Market Orientation score of moderate and low groups. The 't'-value is 9.86 at 5% significant level indicating that moderate performers have relatively higher market orientation than that of low performing units.

**Table 4.15(a)**

**Paper Products and Printing: t value of mean market orientation score of high and moderate performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 24 | 307 | 29 | |
| Moderate Performers | 7 | 257 | 27 | 4.03* |

*R : t ≥ 1.699* **Significant at 5% level*

Table 4.15(b)

Paper products and Printing : t value of mean market orientation score of high and low performers

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 24 | 307 | 29 | |
| Low Performers | 4 | 135 | 31 | 10.48* |

*R : t ≥ 1.706* **Significant at 5% level*

Table 4.15(c)

Paper Products and Printing: value of mean market orientation score of moderate and low performers

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 7 | 257 | 27 | |
| Low Performers | 4 | 135 | 31 | 9.86* |

*R : t ≥ 1.833* **Significant at 5% level*

Table 4.15(d)

Paper Products and Printing : t value of mean market orientation score of high performers and total market orientation mean

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 24 | 307 | 29 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | 3.10* |

*R : t ≥ 1.645* **Significant at 5% level*

Table 4.15(e)

**Paper Products and Printing :t value of mean market orientation score of moderate performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 7 | 257 | 27 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | 4.94* |

*R : t ≥ 1.645* **Significant at 5% level*

Table 4.15(f)

**Paper Products and Printing : t value of mean market orientation score of low performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Low Performers | 4 | 135 | 31 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | -2.90* |

*R : t ≥ 1.645* **Significant at 5% level*

Table 4.15d shows the 't'-value between the mean market orientation score of high performing units in the category and total mean. The 't'- value is found to be 3.10 at 5% significant level, indicating that high performers have market orientation well above the average value.

Table 4.15e shows a 't'-value of 4.94 between the mean market orientation score of moderate performers and the total mean value at 5% significant level. In this case also, the moderate performers is found to have higher market orientation than the total mean.

Table 4.15f shows the 't'-value to be -2.90 between the mean value of low performers and the total mean. The difference is significant at 5% level. Since the 't'-value is found to be negative, it can be concluded that the market orientation score of low performers is less than the total mean score. Hence low performers have comparatively very poor market orientation.

**Rubber and Plastics**

The performance of the units under Rubber and Plastics is shown in Table 4.16. In this category majority of the units fall in moderate class. Twelve units (54.54%) are moderate class performers, six units (27.27%) high and four units (18.18%) in low performing group.

The market orientation score of the units in Rubber and Plastics units is shown in Table 4.17.

## Table 4.16

### Distribution of the units in Rubber and Plastics products based on investment and performance.

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 0 | 0 | 8 | 66.66 | 4 | 33.33 | 12 | 54.54 |
| 5-10 lakhs | 4 | 66.66 | 2 | 33.33 | 0 | 0 | 6 | 27.27 |
| 10-15 lakhs | 0 | 0 | 1 | 100 | 0 | 0 | 1 | 4.54 |
| 15-25 lakhs | | 66.66 | 1 | 33.33 | 0 | 0 | 3 | 13.63 |
| Total | 6 | 27.27 | 12 | 54.54 | 4 | 18.18 | 22 | 9.48 |

## Table 4.17

### Mean Market orientation score of High moderate and low performers in Rubber and Plastic Products

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High performers | 6 | 191 | 56 | 49 | 30 | 26 |
| Moderate | 12 | 189 | 51 | 47 | 27 | 314 |
| Low | 4 | 110 | 26 | 27 | 17 | 180 |

## Table 4.18a

**Rubber and Plastic Products : t value of mean market orientation score of High and moderate performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 6 | 326 | 42 | |
| Moderate Performers | 12 | 314 | 48 | -491 |

*R : t ≥ 1.746* *Not significant*

## Table 4.18(b)

**Rubber and Plastic Products : t value of mean market orientation score of high and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 6 | 326 | 42 | |
| Low Performers | 4 | 180 | 51 | 4.41* |

*R : t ≥ 1.860* **Significant at 5% level*

## Table 4.18(c)

**Rubber and Plastic Products t value of mean market orientation score of moderate and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 12 | 314 | 48 | |
| Low Performers | 4 | 180 | 51 | 4.45* |

*R : t ≥ 1.761* **Significant at 5% level*

Table 4.18(d)

**Rubber and Plastic Products : t value of mean market orientation score of high performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 6 | 326 | 42 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | 4.62* |

*R : t ≥ 1.645* **Significant at 5% level*

Table 4.18(e)

**Rubber and Plastic Products : t value of mean market orientation score of moderate performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 12 | 314 | 48 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | 2.48* |

*R : t ≥ 1.645* **Significant at 5% level*

Table 4.18(f)

**Rubber and Plastic Products : t value of mean market orientation score of low performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Low Performers | 4 | 180 | 51 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | -1.81* |

*R : t ≥ 1.645* **Significant at 5% level*

Table 4.18(a) shows the 't'-value between the high performers and moderate performers of the Rubber and Plastic industries. The mean

score of the high performers is found to be 326 with standard deviation as 42 and the mean score of moderate performers is 314 with standard deviation as 48. The 't'- value is found to be. 491 which shows that there is no significant difference between the high and the moderate performers in terms of market orientation score. But the 't'-value in table 4.18(a) and 4.18(b) shows that both the high and moderate performers have a significant market orientation score.

In Table 4.18(b) it is found that 't'-value between the high performers and the low performers is 4.41 which is significant at 5% level. This means that the market orientation score of the high performers is higher compared to the low performers.

Table 4.18(c) shows the 't'-value to be 4.45 between the moderate and low performers, which is significant at 5% level. Here also it is found that the market orientation score of moderate performers is higher than the low performers.

Table 4.18d shows the 't'-value between the high performers and the total mean, 4.62 which is significant at 5% level. This shows that the market orientation of the Rubber and Plastics high performers is significantly higher than the average total score.

Table 4.18(e) shows the 't'-value score between the moderate performers and the total mean. The 't'-value score is found to be 2.48 which is significant at 5% level. Here also it is proved that the moderate performers have a significantly higher market orientation compared to the total mean score.

Table 4.18(f) shows the 't'-value to be -1.81 between the low performers and the total mean score of market orientation. The 't'-value is significant at 5% level, since it shows a negative value it is assumed that the low performers of the Rubber and Plastic industries have significantly low market orientation when compared to the total mean score.

**Chemical and Chemical Products**

Units studied under chemical and chemical products constitutes only 12 units (5.17%) of the total units studied. Of the 12 units eight units are low performers and four units performed moderate performers. There is no units under high performance class (Table 4.19). The market orientation score of the moderate class is 302 and that of low performing class 178 (Table 4.20).

Table 4.19

Distribution of units in Chemical and Chemical Products based on investment and performance

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 0 | 0 | 2 | 20 | 8 | 80 | 10 | 83.33 |
| 10-15 lakhs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15-25 lakhs | 0 | 0 | 2 | 100 | 0 | 0 | 2 | 16.66 |
| Total | 0 | 0 | 4 | 33.33 | 8 | 66.66 | 12 | 517 |

Table 4.20

Mean market orientation score of high, moderate and low performers in Chemical and Chemical Products

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High performers | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 164 | 55 | 58 | 25 | 302 |
| Low | 8 | 104 | 23 | 35 | 16 | 178 |

Table 4.21(a)

**Chemical and Chemical Products :t value of mean market orientation score of moderate and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 4 | 302 | 45 | |
| Low Performers | 8 | 178 | 49 | 3.89* |

*R : t ≥ 1.812* **Significant at 5% level*

Table 4.21(b)

**Chemical and Chemical Products : t value of mean market orientation score of moderate performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 4 | 302 | 45 | |
| All Category (Total Mean) | 232 | 254.58 | 89 | 1.06 |

*R : t ≥ 1.645* *Not significant*

Table 4.21c

**Chemical and Chemical Products : t value of mean market rientation score of low performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Low Performers | 8 | 178 | 49 | |
| All Category (Total Mean) | 232 | 254.58 | 89 | -2.41* |

*R : t ≥ 1.645* **Significant at 5% level*

Table 4.21(a) shows the 't'-value between the mean market orientation scores of moderate performers and the low performers of the Chemical and Chemical Product category. The mean score of the moderate performer is found to be 302 with standard deviation of 45 and that of low performers is found to be 178 with standard deviation 49. The difference between the two group is found to be significant at 5% level indicating that the moderate performers have a relatively high score of market orientation than the low performers.

Table 4.21(b) shows a 't'-value of 1.06 between the mean market orientation score of moderate performers and the total mean score which is not significant. This implies that the market orientation of moderate performing units is not much different from the mean market orientation score.

The t-test between the mean market orientation score of low performers in the category and total mean score gives a negative 't'-value of -2.41, at 5% significant level indicating that low performers have much less market orientation than the average score.

**Non Metallic Mineral Products**

Units under Non Metallic Mineral Products constitutes only 3.44% of the total firms studied. Only eight units come under the category. Of the

eight, seven units come under low performing class and one in moderate performing class. No unit is in high performing class (Table 4.22).

**Table 4.22**

**Distribution of the units in Non-metallic mineral products category based on investment and performance**

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 0 | 0 | 1 | 12.5 | 7 | 87.5 | 8 | 100 |
| Total | 0 | 0 | 1 | 12.5 | 7 | 87.5 | 8 | 3.44 |

**Table 4.23**

**Mean market orientation score of moderate and low performes in Non-Metallic Mineral Products**

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 1 | 167 | 44 | 51 | 24 | 286 |
| Low | 7 | 114 | 21 | 32 | 16 | 183 |

The market orientation score of moderate class is 286 and that of low is 183 (Table 4.23).

Table 4.24(a)

**Non Metallic Minerals Products : t-value of mean market orientations score of Low and total mean score**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Low Performers | 7 | 183 | 33 | |
| All categories (Total Mean) | 232 | 251.58 | 82 | -2.29* |

*R : t ≥ 1.645* **Significant at 5% level*

Table 4.24 (a) depits the 't'-value of mean market orientation score of the low performers and the total market orientation mean score of the non metal products category. the 't'-value is found to be -2.29 which is significant at 5% level.. Since the 't'-value shows a negative value it indicates that the market orientation score is significantly less than the average score of market orientation.

**Metal Products**

Of the 27 units studied under Metal Products majority of them (70.37%) are high performers, six units (22.22%) in moderate calss and only two units (7.40%) in low performing class (Table 4.25).

Table 4.25

Distribution of the units in Metal Products base on investment and performance

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 15 | 68.18 | 5 | 22.72 | 2 | 9.09 | 22 | 81.48 |
| 5-10 lakhs | 2 | 100 | 0 | 0 | 0 | 0 | 2 | 7.40 |
| 10-15 lakhs | 2 | 66.66 | 1 | 33.33 | 0 | 0 | 3 | 11.11 |
| Total | 19 | 70.37 | 6 | 22.22 | 2 | 7.40 | 27 | 11.63 |

The market orientation score of high performing class is 272, moderate 232 and low 162 (Table 4.26).

Table 4.26

Mean market orientation score of high low performers in Metal Products

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High | 19 | 114 | 64 | 69 | 25 | 272 |
| Moderate | 6 | 105 | 46 | 59 | 22 | 232 |
| Low | 2 | 84 | 27 | 38 | 13 | 162 |

Table 4.27a reveals a mean market orientation score of 272 for the high performers in metal products category and a score of 232 for the moderate with s.d of 36 and 42 respectively. The 't'-value is 2.18 which is significant at 5% level. This indicates that the market orientation score of high performers is significantly higher than that of the low performers. In table 4.27 b the t-value is found to be 4.02 which is also significant at 5% level also the market orientation of the high performers are reletively higher than the low performers in the category.

**Table 4.27(a)**

**Metal Products : t-value of mean market orientations score of high and moderate performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 19 | 272 | 36 | |
| Moderate Performers | 6 | 232 | 42 | 2.18* |

*R t ≥ 1.714* **Significant at 5% level*

**Table 4.27(b)**

**Metal Products : t-value of mean market orientations score score of high and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 19 | 272 | 36 | |
| Low Performers | 2 | 162 | 24 | 4.02* |

*R t ≥ 1.729* **Significant at 5% level*

Table 4.27(c)

**Metal products : t-value of mean market orientations score of moderate and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 6 | 232 | 42 | |
| Low Peformers | 2 | 162 | 24 | 1.94* |

*R t ≥ 1.943* **Significant at 5% level*

Table 4.27(d)

**Metal Products: t-value of mean market orientations of high performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 19 | 272 | 36 | |
| All Categories (Total Mean) | 232 | 254.58 | 82 | .92 |

*R t ≥ 1.645* *Not significant*

Table 4.27(e)

**Metal Products : t-value of mean market orientations score of moderate performers and total market orinetation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 6 | 232 | 42 | |
| All Categories (Total Mean) | 232 | 254.58 | 82 | -0.67 |

*R t ≥ 1.645* *Not significant*

**Table 4.27f**

**Metal Products : t-value of mean market orientations score of low performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Low Performers | 2 | 162 | 24 | |
| All Categories (Total Mean) | 232 | 254.58 | 82 | -1.59 |

*R t ≥ 1.645* *Not significant*

Table 4.27(c) gives a 't'-value of 1.94 between the mean market orientation score of the moderate and low performers. The difference is not significant at 5% whereas it is significant at 1% level, these. Here also it is found that the market orinetation of high performers is significantly different and higher than the market orientation of the moderate and the low performers.

Table 4.27d gives the result of `t' test between the mean Market Orientation score of high performers and the total market orientation mean. The 't'-value is 0.92 which indicates that the market orientation of the units is metal products industry is lower than the toal market orientation mean. From this result it could be inferred that the performers of the units in metal produts is not much influenced by their market orientation. In table 4.27(e) the 't'-value is found to be -0.67 which is not at all significant. The negligible and the negative value

indicates that the market orientation is less than the total market orientation mean.

Table 4.27(f) shows a 't'-value of -1.57 which shows no significant different between the mean market orientation score of low performers and the total mark orientation.

**Machinery and Parts except Electrical Parts**

Of the nine units covered in this category six are low performers and three moderate. No units under this category fall in high performing class (Table 4.28).

The market orientation score of the moderate and low performing class is shown in Table 4.29. The table reveals that units that fall under moderate class have a comparatively higher score than the low performing class. The former has a mean score of 263 and the latter 159.

## Table 4.28

### Distribution of the units in Machinery and Parts except Electrical based on investment and performance

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 0 | 0 | 2 | 25 | 6 | 75 | 8 | 88.88 |
| 5-10 lakhs | 0 | 0 | 1 | 100 | 0 | 0 | 1 | 11.11 |
| Total | 0 | 0 | 3 | 33.33 | 6 | 66.66 | 9 | 3.87 |

## Table 4.29

### Mean market orientation score of moderate and low performers in Machinery and Parts except Electrical

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 3 | 127 | 49 | 62 | 25 | 263 |
| Low | 6 | 81 | 28 | 31 | 19 | 159 |

Table 4.30(a)

**Machinery and Parts except Electrical : t value of mean market orientation score of moderate and low performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 3 | 263 | 19 | |
| Low Performers | 6 | 159 | 24 | 5.78* |

*R : t ≥ 1.895* **Significant at 5% level*

Table 4.30(b)

**Machinery and parts except Electrical: t value of mean market orientation score of moderate performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 3 | 263 | 19 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | 0.18 |

*R : t ≥ 1.645* *Not significant*

Table 4.30(c)

**Machinery and Parts except Electrical : t value of mean market orientation score of low performers and total market orientation mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Low Performers | 6 | 159 | 24 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | -2.84* |

*R : t ≥ 1.645* **Significant at 5% level*

In Table 4.30(a) it is seen that the mean score of the moderate performers is 263 with standard deviation of 19 and that of low

performers 159 with standard deviation of 24. The 't'-value is 5.78 which is significant at 5% level. This shows that the market orientation of the moderate performers are relatively higher than the low performers.

In Table 4.30(b) the 't'-value of the market orientation scores of moderate performers and the total mean is 0.18 which does not show any significant difference. It implies that the performance level of the moderate group is determined by some other factors to be explored further.

In Table 4.30(c) the 't'-value is -2.84 which shows a significant difference between the mean scores of the low performers and the total mean. The market orientation of low performing units in Machinery and Parts except Electrical is very low and much below the total market orientation mean.

**Electrical Machinary and Parts**

In this category 52.38% of the units fall in high performing calss, 42.85% in moderate performing class and only 4.76% of the units in the low performing class. Only one unit among the 21 units studied is low, nine units moderate and 1 units high (Table 4.31).

## Table 4.31

### Distribution of the units in Electrical Machinery and Parts based on the investment and performance

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 9 | 60 | 5 | 33.33 | 1 | 6.66 | 15 | 71.42 |
| 5-10 lakhs | 2 | 40 | 3 | 60 | 0 | 0 | 5 | 23.80 |
| 25-30 lakhs | 0 | 0 | 1 | 100 | 0 | 0 | 1 | 4.76 |
| Total | 11 | 52.38 | 9 | 42.85 | 1 | 4.76 | 21 | 9.05 |

The high performing calss in this category have a mean market orientation score of 312.5, moderate 286 and low 183. (Table 4.32).

## Table 4.32

### Mean market orientation score of high, moderate and low performers in Electrical Machinery and Parts

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High | 11 | 143 | 67.5 | 69 | 33 | 312.50 |
| Moderate | 9 | 135 | 58 | 63 | 30 | 286 |
| Low | 1 | 96 | 27 | 41 | 19 | 183 |

Table 4.33(a) shows a mean score of 312.5 with a standard deviation of 22 for the high performers in the Electrical Machinery and Parts category

and a mean score of 286 with a standard deviation of 26 for the moderate performers. The 't'-value is 2.34 which indicates a significant difference in market orientation between high and low performing group in Electrical Machinery and Parts.

**Table 4.33(a)**

**Electrical Machinery and Parts : t-value of mean market orientation score of high and moderate performers**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 11 | 312.5 | 22 | |
| Moderate Performers | 9 | 286 | 26 | 2.34* |

*R :t ≥ 1.734* **Significant at 5% level*

**Table 4.33(b)**

**Electrical Machinery and Parts :t-value of mean market orientation score of high and Total Market Orientation Mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| High Performers | 11 | 312.5 | 22 | |
| All categories (Total mean) | 232 | 254.58 | 82 | 2.35* |

*R :t ≥ 1.645* **Significant at 5% level*

**Table 4.33c**

**Electrical Machinery and Parts : t-value of mean market orientation score of moderate and Total Market Orientation Mean**

| Group | No. of units | Mean | S.D | t |
|---|---|---|---|---|
| Moderate Performers | 9 | 286 | 26 | |
| All categories (Total Mean) | 232 | 254.58 | 82 | 1.14 |

*R :t ≥ 1.645* *Not significant*

In table 4.33(c) the 't'-value of mean market orientation of high performers and total market orientation mean of electrical machinery and parts is not siginificant

'Table 4.33(c) it is found that the t-value between the moderate performers and the total mean is 1.14 which shows no significant difference between the two scores, which mean that the market and that if the market orientation is improved, this category can inprove their performance level.

**Repairing and Servicing**

In this category 75% of the units are in high(25) while only 12.5% fall low performing class of the 16 units covered, 12 units (75%) fall in the high performance class and 2 units in moderate and low performance class. The high performing class had a higher mean score of market orientation (254) followed by moderate (223.5) and low 150). The mean market orientation of the units in this category is shown in Table No.4.35

Table 4.34

Distribution of the units in Repairing and services based on investment and performance

| Investment in lakhs | PEFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | High | | Moderate | | Low | | Total | |
| | No.of units | % | No. of units | % | No. of units | % | No. of units | % |
| 2-5 lakhs | 8 | 66.6 | 2 | 16.66 | 2 | 16.66 | 12 | 75 |
| 5-10 lakhs | 2 | 100 | 0 | 0 | 0 | 0 | 2 | 12.5 |
| 10-15 lakhs | 1 | 100 | 0 | 0 | 0 | 0 | 1 | 6.25 |
| 15-25 lakhs | 1 | 100 | 0 | 0 | 0 | 0 | 1 | 6.25 |
| Total | 12 | 75 | 2 | 12.5 | 2 | 12.5 | 16 | 6.89 |

Table 4.35

Mean market orientation score of high moderate and low performers in Reparing and Service

| Variable | No.of Units | Customer orientation | | Competitor orientation | | Long term focus | | Interfunctional co-ordination | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 12 | 95 | 20.65 | 71 | 54.62 | 70 | 66.67 | 18 | 40 | 254 | 34.32 |
| Moderate | 2 | 83 | 18.04 | 59.5 | 45.77 | 65 | 61.90 | 16 | 35.56 | 223.5 | 30.20 |
| Low | 2 | 63 | 13.70 | 39 | 30 | 36 | 34.29 | 12 | 26.67 | 150 | 22 |

Table 4.36 a

Reparing and serviceing : t - value of main market orientation score of high and moderate performers

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| High Performers | 12 | 254 | 47 | |
| Moderate Perfromers | 2 | 223.5 | 16 | 0.84* |

* R:t ≥ 1.782 Significant at 5% level

**Table 4.36 b**
**Reparing and servicing: `t' value of mean market orientation score of high and low performers**

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| High Performers | 12 | 254 | 47 | |
| Low Perfromers | 2 | 150 | 16 | 0.84* |

* R:t ≥ 1.782 Significant at 5% level

**Table 4.36 c**
**Reparing and servicing: t - value of main market orientation score of low and moderate low prformances**

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| Moderate Performers | 2 | 223.5 | 16 | |
| Low Perfromers | 2 | 150 | 17 | 3.15* |

* R:t ≥ 2.920 Significant at 5% level

**Table 4.36 d**
**Reparing and servicing: t - value of main market orientation score of high and performers and total market orientation mean.**

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| High Performers | 12 | 254 | 47 | |
| Total Mean | 232 | 254.58 | 82 | -0.02 |

R:t ≥ 1.648 Not Significant

**Table 4.36 e**
**Reparing and servicing : t - value of main market orientation score of low and moderate performers and total market orientation mean.**

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| Moderate Performers | 2 | 223.5 | 16 | |
| Total Mean | 232 | 254.8 | 82 | -0.53 |

R:t ≥ 1.648 Not significant

**Table 4.36 f**
**Reparing and servicing : t - value of main market orientation score of low performers and total market orientation mean.**

| Group | No of units | Mean | SD | t |
|---|---|---|---|---|
| Low | 2 | 150 | 17 | |
| Total Mean | 232 | 254.5 | 82 | -1.79* |

* R:t ≥ 1.645 Significant at 5% level

Table 4.36 a shows the mean value of high performers which is 254 and 223.5 for moderate performers. The t value is 0.84 which is not significant. It indicates that there is no significant differencee betweent the high performers and the low performers in terms of their market orientation scores.

In table 4.36b the t-value is found to be 2.85. The difference is found to be significant at five percent level indicating that the high performers have relatively higher market orientation than the low performers.

In table 4.36 c the t-value is found to be 3.15. The difference betweent he two groups is not significant at five percent level whereas there is a significant difference at one percent level. This also indicates that there is a relaitvley high score for the moderate performers when compared to the low performers.

The `t' test result in Table 4.36d gives a negative value of -0.02 which is not signficant indicating that there is no significant difference between high performers and total market orientation mean. The negative score also shows that market orientation of high performers in this category is less than the average market orientations score. In table 4.36d the t value is -0.2, which is not signficant. This indicates that there is no signficant difference between the high performers and the total market orientation mean, since the score is negative, it also shows that the market orientation of the high performers is less than the average score

In table 4.36e the t value is -0.53 which is also not significant indicating that the market orientation of the moderate performers is also leess than the average score.

In table 4.36f the t value is -0.1.79 which is significant at 5% level. The negative value indicates that the market orientation of the low performers are considerably low than the average score. Here it is noted that the

### Market Orientation - Total

Since the maximum scores vary with different elements of market orientation, the scores obtained are converted to the percentage of the total score of the elements to make the scores uniform.

Table 4.37, 4.38 and 4 .39 shows the mean market orientation scoreS of high moderate and low performance class in all the categories of units studied. Of the 323 units studied 104 units (44.83%), fall in high, 68 units (29.31%) in moderate and 60 units (25.86) in low performance class.

The mean market orientation score of high performance class is 305.44, 278.04 for moderate and 166.36 for low performance class. The percentage of the total market orientation score obtained are 41.27 for high, 37.57 for moderate and 22.48 for low performers. For the high performers the

highest score is obtained for interfunctional co-ordination (59.44%) followed by long term focus (58.57%), competitor orientation (48.31) and customer orientation (33.55%). For the moderate performers the highest score is obtained for interfunctional co-ordination (56.48%) competitor orientation(40.54%) and customer orientation (31.03%). The mean scores of the market orientation elements are 34.95% for interfunctional coordination, Table 4.37 also shows separately the mean score of the four market orientation elements of all the units studied in the three performance classes. The mean scores in the three performance classes shows a common pattern. In all the three classes of unit studied, the highest score is for interfunctional co-ordination followed by long term focus, competitor orientation and customer orientation.

**Table 4.37**
**Total Mean Market Orientation score of High Moderate and Low Performers**

| Variable | No.of Units | Customer orientation | Competitor orientation | Long term focus | Interfunctional co-ordination | Total |
|---|---|---|---|---|---|---|
| | | Score | Score | Score | Score | Score |
| High | 104 | 154.37 | 62.81 | 61.50 | 26.75 | 305.44 |
| Moderate | 68 | 142.75 | 52.71 | 57.17 | 25.42 | 278.04 |
| Low | 60 | 90.73 | 27.55 | 32.36 | 15.73 | 166.36 |

Table 4.38 a

**Total Mean : t-value between high and moderate performers**

| Group | No.of units | Mean | SD | t |
|---|---|---|---|---|
| High | 104 | 305.44 | 92 | |
| Moderate | 68 | 278.04 | 99 | 2.08 |

R:t≥1.645 *Significant at 5% level

Table 4.38 b

**Total Mean : t-value between high and low performers**

| Group | No.of units | Mean | SD | t |
|---|---|---|---|---|
| High | 104 | 305.44 | 92 | |
| Low | 60 | 166.36 | 86 | 9.49* |

R:t≥1.645 *Significant at 5% level

Table 4.38 c

**Total Mean : t-value between moderate and low performers**

| Group | No.of units | Mean | SD | t |
|---|---|---|---|---|
| Moderate | 68 | 278.04 | 79 | |
| Low | 60 | 166.36 | 86 | 7.63* |

R:t≥1.645 *Significant at 5% level

Table 4.38 d

Total Mean : t-value between high performers and total mean

| Group | No.of units | Mean | SD | t |
|---|---|---|---|---|
| High | 104 | 305.44 | 92 | |
| All category (Total Mean) | 232 | 254.58 | 82 | 5.04* |

R:t≥1.645 *Significant at 5% level

Table 4.38 e

Total Mean : t-value between moderate performers and total mean

| Group | No.of units | Mean | SD | t |
|---|---|---|---|---|
| Moderate | 68 | 278.04 | 79 | |
| All Category (Total Mean) | 232 | 254.58 | 82 | 2.08* |

R:t ≥ 1.645 * Significant at 5% level

Table 4.38 f

Total Mean : t-value between low performers and total mean

| Group | No.of units | Mean | SD | t |
|---|---|---|---|---|
| Low | 60 | 166.36 | 86 | |
| Total Mean | 232 | 254.58 | 82 | -7.33* |

R:t ≥ 1.645 * Significant at 5%level

Table 4.38 a shows the result of the `t'- test of the mean market orientation scores of the high performers in all the industrial categories and the mean market orientation score of the moderate performers in all the categories, the `t'-value is found to be 2.08 at 5% significance level indicating that the market orientation of high performers as a whole is significantly higher than the moderate performers. The `t'-values of the mean market orientation scores of high and low performers also shows that there is significant difference between the market orientation of high and low performers(Table 4.38b) Table 4.38c shows the results of the `t'-test of market orientation means of moderate and low performers which give a t-value of 5.04 at 5% level indicating a significant difference in the level of market orientation between moderate and low performers. `t'-tests also shows significant difference in arket orientation between high performers and total mean; moderate performers and total means(Table 4.38d and 4.38e). The low performers have significantly lower market orientation than total mean market orientation score. (Table 4.38f) the `t' -value gives a negative value of -7.33 servecing and reparing categgory as a whole has little market orientation. Increased market orientation can improve their performance

**Correlation of Market Orientation and Performance - High Performance Class.**

Table 4.39 shows the correlation of market orientation and performance of different categories of units in the high performance class. The correlation ranges from .49 to .9. The results indicate that market orientation has a positive relationship to performance i.e., the higher the market orientation, the higher is the performance.

**Table 4.39**
**Correlation : Market orientation and performance - High Performance Class**

| Category of Units | No of Units | Mean of Market Orientation | SD X | Rreturn on investment percentage | SD Y | r. |
|---|---|---|---|---|---|---|
| Food (A) | 5 | 383.50 | 22 | 16 | 4 | 0.8 |
| Food (B) | 8 | 370.5 | 42.5 | 14 | 5 | 0.9 |
| Hosiery and garments | 0 | | | | | |
| Wood Products | 19 | 218 | 18 | 19 | 4 | 0.76 |
| Paper products and Printing | 24 | 307 | 29 | 16 | 9 | 0.86 |
| Rubber and Plastic Products | 6 | 326 | 42 | 13 | 4 | 0.69 |
| Chemical and Chemical Products | 0 | | | | | |
| Non-metallic mineral products | 0 | | | | | |
| Metal Products | 19 | 272 | 36 | 18 | 13 | 0.49 |
| Machinery & Parts except electrical | 0 | | | | | |
| Electrical machinery and parts | 11 | 312.50 | 22 | 12 | 4 | 0.54 |
| Repairing and Servicing | 12 | 254 | 47 | 13 | 6 | 0.51 |
| Total | 104 | 288.47 | 92 | 16.16 | 7.1 | 0.77 |

Food (B) category has the highest correlation of .9 followed by Paper Products and Printing (.86), Food (A) (.8), Wood Products (.76), Rubber and Plastic products (.69), Electrical Machinery and Parts (.54), Repairing and Servicing (.51) and Metal Product (.49). Metal Products have the lowest correlation of .49. The total correlation of market orientation to performance is 77. It can be inferred that as the level of competition rises, units incorporate more market orientation traits.

The units in Food (A) and Food (B) have reported intense competition from large scale industries. Food (A) and Food (B) get maximum mean market orientation scores. Food (A) gets mean market orientation score of 383.5 and Food (B) 370.5. Wood Products have shown a correlation of .76 although their mean market orientation score is only 218. Since there is a strong correlation of market orientation and performance among Wood Products, the Wood Products can improve their performance by incorporating market orientation traits like product differentiation, innovation, market intelligence etc. Units in Paper Products and Printing also can improve their performance through better market orientation, since there is a correlation of .86. The performance of metal products show the least correlation (.49). The entrepreneurs in metal products of high performance have reported that their locational advantage has mainly attributed to their success. These units were located near area commercial,

institutional and construction activities; while some product differentiation was also reported to be another attribute for the success of Metal Product units.

Table 4.40 shows the correlation of market orientation and performance of moderate performance class The correlation ranges from .22 to .72 among the moderate class.

**Table 4.40**
**Correlation : Market orientation and performance - Moderate Performance Class**

| Category of Units | No of Units | Mean of Market Orientation | SD X | Return on investment Percentage | SD Y | r. |
|---|---|---|---|---|---|---|
| Food (A) | 4 | 340 | 18 | 8 | 4 | .72 |
| Food (B) | 7 | 335 | 19.5 | 11 | 4.5 | .73 |
| Hosiery and garments | 4 | 300 | 22 | 12 | 3 | .22 |
| Wood Products | 9 | 198 | 28 | 11 | 3 | .24 |
| Paper products and Printing | 7 | 257 | 27 | 8 | 3.5 | .96 |
| Rubber and Plastic Products | 12 | 314 | 48 | 10 | 4.5 | .61 |
| Chemical and Chemical Products | 4 | 302 | 45 | 10 | 4 | .43 |
| Non-metallic mineral products | 1 | 286 | 0 | 8 | 0 | 0 |
| Metal Products | 6 | 232 | 42 | 12 | 3 | .47 |
| Machinery & Parts except electrical | 3 | 263 | 19 | 7.5 | 3.5 | .46 |
| Electrical machinery and parts | 9 | 286 | 26 | 9 | 4 | .32 |
| Repairing and Servicing | 2 | 223.5 | 16 | 8 | 2 | .46 |
| Total | 68 | 278.04 | 79 | 9.5 | 5.5 | .32 |

In the moderate class, units in Paper Product and Printing category has the highest correlation of .96 followed by Food (B) (.73), Food (A) (.72), Rubber and Plastic Products (.61), Metal Product (.47), Machinery and Parts except Electrical (.46), Repairing and Servicing (.46), Chemical & Chemical Products (.43) Electrical Machinery and Parts (.32), Wood Products (.24), and Hosiery and Garments (.22). The correlation of the total market orientation of moderate performers is found to be only .32. As in high performance class, the units in Food (A), and Food(B) shows strong correlation between market orientation and performance. But Paper Products and printing units in moderate class were found to be traditional in nature using outdated technology and catering to market segment, which is not quality conscious.

Table 4.41 shows the correlation of market orientation and performance of the units in low performance class. Except units in Electrical Machinery and parts all other categories of units show correlation between market orientation and performance. The correlation seen among low performing units clearly indicates the need for adopting market orientation traits in their organisation, which can definitely improve the performance of the units.

## Table 4.41
## Correlation : Market orientation and performance - Low Performance Class

| Category of Units | No of Units | Mean of Market Orientation | SD X | Return on investment percentage | SD Y | r. |
|---|---|---|---|---|---|---|
| Food (A) | 5 | 194 | 19.5 | 5 | 3 | .40 |
| Food (B) | 14 | 182 | 29.5 | 7 | 3.5 | 0.58 |
| Hosiery and garments | 0 | | | | | |
| Wood Products | 7 | 124 | 24 | 6.5 | 4 | 0.41 |
| Paper Products and Printing | 4 | 135 | 31 | 6 | 3.5 | 0.48 |
| Rubber and Plastic Products | 4 | 180 | 51 | 5 | 3.5 | .72 |
| Chemical and Chemical Products | 8 | 178 | 49 | 5 | 4 | .68 |
| Non-metallic mineral products | 7 | 183 | 33 | 4 | 3 | .77 |
| Metal Products | 2 | 162 | 24 | 7 | 5 | .54 |
| Machinery & Parts except electrical | 6 | 159 | 24 | 4.5 | 3 | .62 |
| Electrical machinery and parts | 1 | 183 | 0 | 4 | 0 | 0 |
| Repairing and Servicing | 2 | 150 | 17 | 6 | 3.5 | .54 |
| Total | 60 | 166.36 | 86 | 5.62 | 3.6 | 0.32 |

## Table 4:42

## Scores of Market Orientation of High Performers

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| Food (A) | 5 | 232 | 50.43 | 63.50 | 48.85 | 56 | 53.33 | 32 | 71.11 | 383.50 | 51.82 |
| Food (B) | 8 | 218 | 47.39 | 63.50 | 48.85 | 57 | 54.29 | 32 | 71.11 | 370.50 | 50.06 |
| Hosiery & Garments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wood products | 19 | 97 | 21.09 | 51.00 | 39.23 | 54 | 51.43 | 16 | 35.56 | 218.00 | 29.45 |
| Paper products &Printing | 24 | 145 | 31.52 | 66 | 50.77 | 68 | 64.76 | 28 | 62.22 | 307.00 | 41.48 |
| Rubber & Plastic products | 6 | 191 | 41.52 | 56.00 | 43.08 | 49 | 46.67 | 30 | 66.67 | 326 | 44.05 |
| Chemical & Chemical products | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-metalic mineral | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Metal products | 19 | 114 | 24.78 | 64.00 | 49.23 | 69 | 65.71 | 25 | 55.26 | 272 | 36.75 |
| Machinary & parts (except electrical) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Electric Machinary & parts | 11 | 143 | 31.09 | 67.50 | 51.54 | 69 | 65.71 | 33 | 73.33 | 312.50 | 42.22 |
| Repairing & Servicing | 12 | 95 | 20.65 | 71.00 | 54.62 | 70 | 66.67 | 18 | 40.00 | 254 | 34.32 |
| Total | 104 | 154.37 | 33.55 | 62.81 | 48.31 | 61.50 | 58.57 | 26.75 | 59.44 | 305.44 | 41.27 |

## Table 4:43
## Scores of Market Orientation of Moderate Performers

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| Food (A) | 4 | 200 | 43.48 | 58 | 44.62 | 52 | 49.52 | 30 | 66.67 | 340 | 45.94 |
| Food (B) | 7 | 192 | 41.74 | 55 | 42.31 | 54 | 51.43 | 34 | 75.56 | 335 | 45.27 |
| Hosiery & Garments | 4 | 145 | 31.52 | 57 | 43.85 | 67 | 63.81 | 31 | 68.89 | 300 | 40.54 |
| Wood products | 9 | 93 | 20.22 | 45 | 34.62 | 46 | 43.81 | 14 | 31.11 | 198 | 26.75 |
| Paper products &Printing | 7 | 113 | 24.57 | 55 | 42.31 | 62 | 59.05 | 27 | 60.00 | 257 | 34.72 |
| Rubber & Plastic products | 12 | 189 | 41.09 | 51 | 39.23 | 47 | 44.76 | 27 | 60.00 | 31.4 | 42.43 |
| Chemical & Chemical products | 4 | 164 | 35.65 | 55 | 42.31 | 58 | 55.24 | 25 | 55.56 | 30.2 | 40.81 |
| Non-metalic mineral products | 1 | 167 | 36.30 | 44 | 33.85 | 51 | 48.57 | 24 | 53.33 | 286 | 38.64 |
| Metal products | 6 | 105 | 22.83 | 46 | 35.38 | 59 | 56.19 | 22 | 48.89 | 232 | 31.35 |
| Machinary & parts (except electrical) | 3 | 127 | 27.61 | 49 | 37.69 | 62 | 59.05 | 25 | 55.56 | 263 | 35.54 |
| Electric Machinary & parts | 9 | 127 | 27.61 | 49 | 37.69 | 62 | 59.05 | 25 | 55.56 | 263 | 35.54 |
| Repairing & Servicing | 2 | 83 | 18.04 | 59.50 | 45.77 | 65 | 61.90 | 16 | 35.56 | 223.5 | 30.20 |
| Total | 68 | 142.75 | 31.03 | 52.71 | 40.54 | 57 17 | 54.44 | 25.42 | 56.48 | 278.04 | 37.57 |

## Table 4.44
## Scores of Market Orientation of Low Performers

| Type of Industry | N | Customer Orientation | | Competetor Orientation | | Long term focus | | Inter functional Coordination | | Total 740 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | |
| Food (A) | 5 | 115 | 25 | 32 | 24.62 | 30 | 28.57 | 17 | 37.78 | 194 |
| Food (B) | 14 | 107 | 23.26 | 30 | 23.08 | 28 | 26.67 | 17 | 37.78 | 182 |
| Hosiery & Garments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wood products | 7 | 60 | 13.04 | 27 | 20.77 | 25 | 23.81 | 12 | 26.67 | 124 |
| Paper products &Printing | 4 | 64 | 13.91 | 23 | 17.69 | 33 | 31.43 | 15 | 33.33 | 135 |
| Rubber & Plastic products | 4 | 110 | 23.91 | 26 | 20.00 | 27 | 25.71 | 17 | 37.78 | 180 |
| Chemical & Chemical products | 8 | 104 | 22.61 | 23 | 17.69 | 35 | 33.33 | 16 | 35.56 | 178 |
| Non-metalic mineral products | 7 | 114 | 24.76 | 21 | 16.15 | 32 | 30.48 | 16 | 35.56 | 183 |
| Metal products | 2 | 84 | 18.26 | 27 | 20.77 | 38 | 36.19 | 13 | 28.89 | 162 |
| Machinary & parts (except electrical) | 6 | 81 | 17.61 | 28 | 21.54 | 31 | 29.52 | 19 | 42.22 | 159 |
| Electric Machinary & parts | 1 | 96 | 20.87 | 27 | 20.77 | 41 | 39.05 | 19 | 42.22 | 183 |
| Repairing & Servicing | 2 | 63 | 13.70 | 39 | 30.00 | 36 | 34.29 | 12 | 26.67 | 150 |
| Total | 60 | 90.73 | 19.72 | 27.55 | 21.19 | 32.36 | 30.81 | 15.73 | 34.95 | 166.36 |

# CHAPTER V

# ANALYSIS OF THE ELEMENTS OF MARKET ORIENTATION

In this chapter a comparative analysis of the different scores obtained by the units for different elements and sub element of market orientation is done. The analysis is done in the following steps.

1. The scores obtained by each industrial category for different elements of market orientation are compared and analyzed.
2. Since the maximum scores for each elements and sub elements are different, the scores obtained for each elements are converted to the percentage of maximum score, to make the scores uniform.
3. The comparison of the elements and sub elements is done category wise and performance wise, namely high, moderate and low.

Food (A) high performers get 50.43% (Table 5.1)of the customer orientation score, 48 percent of the competitor orientation score, 53.33 percent of long term focus and 71.11 percent of interfunctional coordination scores. The highest percentage of the score is obtained for interfunctional coordination (71.11%) followed by long term focus, competitor orientation and customer

## Table 5.1

### Mean Market Orientation score of High, Moderate and Low Performers in Food - A

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 5 | 232 | 50.43 | 63.50 | 48.85 | 56 | 53.33 | 32 | 71.11 | 383.50 | 51.82 |
| Moderate | 4 | 200 | 43.48 | 58 | 44.62 | 52 | 49.52 | 30 | 66.67 | 340 | 45.94 |
| Low | 5 | 115 | 25 | 32 | 24.62 | 30 | 28.57 | 17 | 37.78 | 194 | 26.21 |

## Table 5.2

### Mean Market Orientation score of High, Moderate and Low Performers in Food - B

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 8 | 218 | 47.39 | 63.50 | 48.85 | 57 | 54.29 | 32 | 71.11 | 370.50 | 50.06 |
| Moderate | 7 | 192 | 41.74 | 55 | 42.31 | 54 | 51.43 | 34 | 75.56 | 335 | 45.27 |
| Low | 0 | 107 | 23.26 | 30 | 23.08 | 28 | 26.67 | 17 | 37.78 | 182 | 24.59 |

orientation. The moderate performers in Food (A) also follows almost a similar trend with highest percentage of score for interfunctional coordination (66.67%) followed by long term focus, (49.52%) competitor orientation (44.62%) and customer orientation (43.48%). The low performing class in Food (A) gets maximum percentage of score for interfunctional coordination (37.78%), followed by long term focus (28.57%) and customer orientation (25%).

A comparison of the percentage score of the market orientation variables obtained by high, moderate and low performance classes shows that the high performance class gets 71.11 percent score of interfunctional coordination, moderate performance class gets 66.67 percent of interfunctional score. Low performers get only 37.78 percent score of and interfunctional coordination. While there is not much difference in the scores on customer orientation, competitor orientation and long term focus, obtained by high and moderate performers, they get a comparatively high score of interfunctional coordination (71.11% and 66.67% respectively) which could be the critical success element for Food (A) category firms. The low performers do not show such difference in the score of interfunctional coordination from the other three variables. Low performers get very low scores for all the elements.

In food (A) units customer orientation, competitor orientation and long term focus traits are found to be common due to the nature of the product and market, but it is the outstanding efforts in on interfunctional coordination that contributes to excellence in performance. The results infer that coordination of the different marketing functions; and the coordination of marketing function with other functions play an important detrimental role in the success of units in Food A and B category. The results point out that the persons in different functions in an organisation should possess knowledge of customer needs and signifies the importance of collective involvement in modifying and conceptualizing a product. Besides all persons in different functions should possess knowledge regarding the units competence and limitations in satisfying customer needs. Literature review suggests that owner-managers who are successful exhibit a different orientation and upward mobility. Though market orientation involves the efforts of all functions in an organisation, the marketing department has a larger role by virtue of contact with customers and market. All aspects of interfunctional coordination finally vests with a favourable attitude on the part of the owner manager. The interfunctional coordination enables the units to achieve higher productivity, product success and lower unit costs.

### Food (B)

The scores obtained by Food (B) show a similarity to the scores obtained by Food (A) (Table 5.2)

The high performers gets 47.49 percent of customer orientation score, 48.85 percent of competitor orientation, 54.29 percent of long term focus and 71.11 percent of interfunctional coordination scores.

In food (B) also, the highest score is obtained for interfunctional coordination. The results stress the need of the units to adapt integrate and reinforce internal and external organisational skills and functional competence to match the requirements of changing environment.

### Hosiery and Garments

Since, all the four units in this category belong to moderate performers, a conclusion could not be made on the weightage of different marketing elements to be possessed for success (Table 5.3). The moderate performers in hosiery and garments obtained 31.52 percent score of customer orientation, 43.85 percent score of competitor orientation, 63.8 percent of long term focus and 68.89 percent of interfunctional co-ordination. Like `Food (A) and Food (B), hosiery and garments also has highest percentage of score for interfunctional co-ordination and the units in this category get 40.54 percent of the total score of market orientation.

## Table 5.3
## Mean Market Orientation score of the units in Hosiery and Garments

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 145 | 31.52 | 57 | 43.85 | 67 | 63.81 | 31 | 68.89 | 300 | 40.54 |
| Low | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## Table 5.4

## Mean Market Orientation score of High, Moderate and Low Performers in Wood Products

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 19 | 97 | 21.09 | 51 | 39.23 | 54 | 51.43 | 16 | 35.56 | 218 | 29.45 |
| Moderate | 9 | 93 | 20.22 | 45 | 34.62 | 46 | 43.81 | 14 | 31.11 | 198 | 26.75 |
| Low | 7 | 60 | 13.04 | 27 | 20.77 | 25 | 23.81 | 12 | 26.67 | 124 | 16.75 |

### Wood Product

The high performance units in wood products category obtained a score of 21.09 percent of customer orientation 39.23 percent of competitor orientation, 51.43 percent of long term focus and 35.56 percent of interfunctional co-ordination (Table 5.4). The high performance group in wood category has the highest percentage of score for long term focus, followed by competitor orientation, interfunctional co-ordination and customer orientation. The results implies that success of units in wood industry is associated with the items that characterize the different elements of long term focus. During the interview most of the successful units have shown strong response to the items that characterize the long term perspective in the selection of location, like transportation of raw materials and nearness to market, taking into account the potential for construction and institutional activities. For the logical selection of machinery and equipments also strong response was received from successful entrepreneurs in wood industries. Moderate performers in wood products category also received highest score (43.81%) for long term focus followed by competitor orientation (34.62%) interfunctional co-ordination (31.11%) and customer orientation (20.22%). It is noted that the units in wood industry generally have very little customer orientation i.e. they show very little attention to product differentiation, market intelligence, and

responsiveness to customer needs. Besides units in wood industry gets the lowest score for market orientation.

### Paper Products and Printing

The high performing units in paper products and printing get 31.52 percent of customer orientation score, 50.77 percent of competitor orientation, 64.76 percent of long term focus and 62.22 percent of interfunctional co-ordination scores (Table 5.5). The moderate performing class gets 24.57 percent of customer orientation, 42.31 percent of competitor orientation 59.05 percent of long term focus and 60 percent of interfunctional co-ordination. The low performing class gets 13.91 percent of customer orientation 17.69 percent of competitor orientation, 31.43 percent of long term focus and 33.33 percent of interfunctional co-ordination scores. In all the three classes there is only very little difference in the scores obtained for long term focus and interfunctional co- ordination. In paper products and printing units also the high and moderate performers have comparatively high scores for long term focus and interfunctional co-ordination .

### Rubber and Plastic Products

The high and moderate performance class in rubber and plastic products also have high percentage scores for interfunctional co-ordination followed by long term focus, competitor orientation and customer orientation (Table

## Table 5.5
## Mean Market Orientation score of High, Moderate and Low Performers in Paper products and Printing

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 24 | 145 | 31.52 | 66 | 50.77 | 68 | 64.76 | 28 | 62.22 | 307 | 41.48 |
| Moderate | 7 | 113 | 24.57 | 55 | 42.31 | 62 | 59.05 | 27 | 60.00 | 257 | 34.72 |
| Low | 4 | 64 | 13.91 | 23 | 17.69 | 33 | 31.43 | 15 | 33.33 | 135 | 18.24 |

## Table 5.6
## Mean Market Orientation score of High, Moderate and Low Performers Rubber and Plastic products

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 6 | 191 | 41.52 | 56 | 43.08 | 49 | 46.67 | 30 | 66.67 | 326 | 44.05 |
| Moderate | 12 | 189 | 41.09 | 51 | 39.23 | 47 | 44.76 | 27 | 60.00 | 314 | 42.43 |
| Low | 4 | 110 | 23.91 | 26 | 20 | 27 | 25.71 | 17 | 37.78 | 180 | 24.32 |

5.6). The high performers have 66.67 percent of interfunctional co-ordination scores, 46.67 percent of long term focus 43.08 percent of competitor orientation and 41.52 percent of customer orientation scores. The percentage scores of moderate class are 41.09 percent of customer orientation 39.23 percent of competitor orientation 44.76 percent of long term focus and 60 percent of interfunctional co-ordination scores. The scores of low performance class are 23.91 percent of customer orientation 20 percent of competitor orientation 25.7 percent of long term focus and 37.78 percent of interfunctional co-ordination.

### Chemical and Chemical Products

Units in chemical and chemical products fall in moderate and low performance classes (Table 5.7) only. There are no units in high performance class. In this category also there is predominance of the scores of interfunctional coordination and long term focus (55.56% and 55.24%). The scores of moderate performers are 55.56 percent of interfunctional coordination 55.24 percent of long term focus, 42.31 percent of competitor orientation and 35.65 percent of customer orientation scores. The low performance class also has the highest percentage of the score for interfunctional co-ordination (35.56%) followed by long term focus (33.33%) customer orientation (22.61%) and competitor orientation (17.69%).

## Table 5.7

### Mean Market Orientation scores of High, Moderate and Low Performers in Chemical and Chemical products

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 164 | 35.65 | 55 | 42.31 | 58 | 55.24 | 25 | 55.56 | 302 | 40.81 |
| Low | 8 | 104 | 22.61 | 23 | 17.69 | 35 | 33.33 | 16 | 35.56 | 178 | 24 |

## Table 5.8

### Mean Market Orientation scores of High, Moderate and Low Performers in Non-metallic meneral products

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 1 | 167 | 36.30 | 44 | 33.85 | 51 | 48.57 | 24 | 53.33 | 286 | 38.64 |
| Low | 7 | 114 | 24.78 | 21 | 16.15 | 32 | 30.48 | 16 | 35.56 | 183 | 24.72 |

### Non Metallic Mineral Products

Nonmetallic mineral products have units only in moderate and low performance class (Table 5.8). In this category highest percentage of scores is for interfunctional co-ordination 53.33 percent followed by long term focus (48.57%) customer orientation (36.3%) and competitor orientation (33.85). The low performers also show a similar trend in the percentage score although their scores are comparatively less, low performance class also has highest percentage of the score for interfunctional co-ordination (35.56%) followed by 30.48 percent for long term focus, 24.78 percent for customer orientation and 16.15 percent for competitor orientation.

### Metal Products

Metal products units also have higher score for long term focus and interfunctional co-ordination (Table 5.9). The high performance class scored 65.71 percent of long term focus and 55.56 percent for interfunctional coordination. Moderate performance class scored 56.19 percent of long term focus and 48.89 percent of interfunctional coordination scores. The low performers had scored 36.19 percent for long term focus and 28.89 percent for interfunctional co-ordination. The score of competitor orientation and customer orientation for high performance class are 49.23 percent and 24.78 percent, for moderate performance class; 35.38 percent and 22.83 percent; and for low performance class 20.77 percent and 18.26 percent respectively.

### Machinery and Parts Except Electrical

Three units in this category fall in moderate and six units in low performance class (Table 5.10) and none in high performance class. The moderate performance class have highest score for long term focus 59.05 percent followed by interfunctional co-ordination (55.56%), competitor orientation (37.69%), and customer orientation (27.61%). The score obtained for interfunctional co-ordination is the highest, and for customer orientation, the lowest. Low performance units also have highest scores for interfunctional co-ordination (42.22%) and lowest for customer orientation (17.61%). For long term focus the scores obtained is 29.52 percent and competitor orientation 21.54 percent.

### Electrical Machinery and Parts

Of the 21 units studied in this category, 11 units show high business performance, nine units show moderate performance and only one unit show low performance (Table 5.11).

Comparison of the scores on different elements obtained by high performance class shows highest score for interfunctional co-ordination (73.33%) followed by long term focus (65.71%) competitor orientation

## Table 5.9
## Mean Market Orientation score of High, Moderate and Low Performers in Metal products

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 19 | 114 | 24.78 | 64 | 49.23 | 69 | 65.71 | 25 | 55.56 | 272 | 36.75 |
| Moderate | 6 | 105 | 22.83 | 46 | 35.38 | 59 | 56.19 | 22 | 48.89 | 232 | 31.35 |
| Low | 2 | 84 | 18.26 | 27 | 20.77 | 38 | 36.19 | 13 | 28.89 | 162 | 21.89 |

## Table 5.10
## Mean Market Orientation score of High, Moderate and Low Performers in Machinery and parts except electrical

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 3 | 127 | 27.61 | 49 | 37.69 | 62 | 59.05 | 25 | 55.56 | 263 | 35.54 |
| Low | 6 | 81 | 17.61 | 28 | 21.54 | 31 | 29.52 | 19 | 42.22 | 159 | 21.48 |

(51.54%) and customer orientation (31.09%). The scores obtained by moderate performers are 66.67 percent for interfunctional co-ordination, 60 percent for long term focus, 44.62 percent for competitor orientation and 29.35 percent for customer orientation. The scores of the low performers are 42.22 percent for interfunctional co-ordination 39.05 percent for long term focus, 20.87 percent for customer orientation and 20.77 percent for competitor orientation.

### Repairing and Servicing

Majority of the units studied in this category are high performers; 12 units fall in high and two each in moderate and low performance class (Table 5.12). The high performing class has the highest score for long term focus (66.67%) followed by competitor orientation (54.62%), interfunctional co-ordination (40%), and customer orientation (20.65%). This category of units have the lowest score for customer orientation. A same pattern of score is seen in the moderate and low performance classes; the highest score is obtained for long term focus followed by competitor orientation, interfunctional co-ordination and customer orientation. The scores of moderate performance class are 61.9 percent for long term focus 45.77 percent for competitor orientation, 35.56 percent for interfunctional co-ordination and 18.04 percent for customer orientation.

## Table 5.11
## Mean Market Orientation score of High, Moderate and Low Performers in Electrical machinery and parts

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 11 | 143 | 31.09 | 67.5 | 51.54 | 69 | 65.71 | 33 | 73.33 | 312.50 | 42.22 |
| Moderate | 9 | 135 | 29.35 | 58 | 44.62 | 63 | 60 | 30 | 66.67 | 286 | 38.64 |
| Low | 1 | 96 | 20.87 | 27 | 20.77 | 41 | 39.05 | 19 | 42.22 | 183 | 24.72 |

## Table 5.12
## Mean Market Orientation score of High, Moderate and Low Performers in Repairing and Servicing

| Type of Industry | N | Customer Orientation 0-460 | | Competetor Orientation 0-130 | | Long term focus 0-105 | | Inter functional Coordination 0-45 | | Total 740 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 12 | 95 | 20.65 | 71 | 54.62 | 70 | 66.67 | 18 | 40.00 | 254 | 34.32 |
| Moderate | 2 | 83 | 18.04 | 59.5 | 45.77 | 65 | 61.90 | 16 | 35.56 | 223.5 | 30.20 |
| Low | 2 | 63 | 13.70 | 39 | 30 | 36 | 34.29 | 12 | 26.67 | 150 | 20.27 |

## Analysis of Sub elements of Market Orientation

In this chapter a comparative analysis of the scores of different elements and sub elements obtained by different units are analyzed. The analysis is done with the object of finding the critical sucess elements for each category of units.

The scores of the sub elements of market orientation is analyzed to find their relative importance in the performance of the firm. A comparison of the sub element scores is done among the different performance class in different product groups. The scores are converted into percentage of the maximum scores of different subelements to make the scores uniform.

### Sub Element of Customer Orientation

**Food (A) (Table 5.13)**

Analysis of the scores of the five subelements of customer orientation, namely market intelligence, innovation, product differentiation, market focus and promotion, shows marked difference among the high moderate and low performances classes. Comparison of the score for market intelligence shows a score of 46.1 percent for high, 38.89 percent for moderate and 19.44 percent for low performance class. The scores for innovation are 48 percent for high, and moderate performance class and 32 percent for the low performance class. The scores for product differentiation

are 80 percent for high, 68 percent for moderate and 48 percent for low performance class.

Scores for market focus are 64 percent for high, 60 percent for moderate and 52 percent for low performance class. The scores for promotion are 72 percent for high, 64 percent for moderate and 18 percent for low performance class. Comparison of the scores of the subelements of customer orientation shows that there is not much difference in the scores obtained by high and moderate performances class. Starting from the high performance class to the moderate and low performances class, there is a gradual decrease in score for the different sub elements except for market intelligence. For market intelligence the high performance class gets 46 percent, the moderate 38.89 percent and low 19.14 percent. There is a marked difference in the score for market intelligence obtained by high and low; and moderate and low performance class. For Market Intelligence, the low performance class gets less than fifty percent score obtained by high performance class; and only half the score obtained by moderate performance class. This indicates the significance of market intelligence or market information gathering. During the survey it was found that the owner- managers of poor performing units have shown inadequate attention to market information little singnificance to market intelligence. Market intelligence is often a neglected area among less successful units or they do

not realize the significance of market information gathering. Literature survey suggests that without a continuous gathering and dissemination of market information, no units can satisfy the needs of the customer properly.

**Food (B) (Table 5.14)**

The scores obtained for the sub elements by food (B) units shows almost a similar trend followed by food (A) units. The scores obtained by high, moderate and low performance classes shows gradual decline in the scores except for market intelligence and product differentiation. For market intelligence, the low performers get only 43.74 percent of the scores obtained by high performance class and 49.98 percent of the scores obtained by moderate performers. This again signifies the importance of market intelligence for efficient business performance. For product differentiation the low performers get less than half of the score obtained by high performers. The results point out the need for market information gathering and product differentiation by units in food (B) category mainly because of the nature of the product. Besides, during the interview, most of the units reported of facing competition from similar and large scale units. This further reinforces the need for product differentiation in order to perform successfully.

Table 5.13
Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Food (A)

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 5 | 166 | 46.1 | 12 | 48 | 20 | 80 | 16 | 64 | 18 | 72 | 232 | 50.43 |
| Moderate | 4 | 140 | 38.89 | 12 | 48 | 17 | 68 | 15 | 60 | 16 | 64 | 200 | 43.48 |
| Low | 5 | 70 | 19.44 | 8 | 32 | 12 | 48 | 13 | 52 | 12 | 48 | 115 | 25.00 |

Table 5.14
Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Food (B)

| Performance Class | No.of units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 8 | 160 | 44.44 | 10 | 40 | 15 | 60 | 15 | 60 | 18 | 72 | 218 | 47.39 |
| Moderate | 7 | 140 | 38.89 | 8 | 32 | 11 | 44 | 15 | 60 | 18 | 72 | 192 | 41.74 |
| Low | 14 | 70 | 19.44 | 5 | 20 | 7 | 28 | 11 | 44 | 14 | 56 | 107 | 23.26 |

### Hosiery and Garments (Table 5.15)

All the units studied in the category are moderate performers. The percentage scores are 20 percent for market intelligence, 76 percent for innovation, 80 percent for product differentiation, 72 percent for market focus, and 64 percent for promotion. The moderate performers get comparatively higher scores for the elements than the moderate performance units in other categories. It is notable that for product differentiation, the units in hosiery and garments also gets the highest percentage of score(80%) obtained .The nature of the products and the manufacturing process enables units for product differentiation to suit the different tastes of the changing customer preferences. Besides the nature of the manufacturing process facilitates short and flexible production runs to meet the different segments of the market. The single repetitive operation that brings in scale economy is not applicable here and hence no competition is faced from large scale manufactures. In Hosiery and Garments units also the lowest score is for market intelligence.

### Customer Orientation subelements - Wood Products (Table 5.16)

For market intelligence, the high and moderate performance class gets 11.11 percent and the low performance class gets 6.67 percent: For innovation the high performers get 44 percent, moderate 36 percent and low performers 20 percent. For product differentitation, the scores are 40

## Table 5.15
## Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Hosiery and Garments

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 72 | 20 | 19 | 76 | 20 | 80 | 18 | 72 | 16 | 64 | 145 | 31.52 |
| Low | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## Table 5.16
## Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Wood products

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 19 | 40 | 11.11 | 11 | 44 | 10 | 40 | 20 | 80 | 16 | 64 | 97 | 21.09 |
| Moderate | 9 | 40 | 11.11 | 9 | 36 | 8 | 32 | 20 | 80 | 16 | 64 | 93 | 20.22 |
| Low | 7 | 24 | 6.67 | 5 | 20 | 5 | 20 | 14 | 56 | 12 | 48 | 60 | 13.04 |

percent, 32 percent and 20 percent for high, moderate and low performance class. For market focus the high and moderate performance class gets 80 percent each and the low gets 56 percent. For promotion, the scores are 64 percent for high and moderate and 48 percent for the low performance class. For all the three performance classes in this category, the lowest score is for market intelligence ranging from 11.11 percent for the high to 6.67 percent for the low performance classes. The highest score is for market focus ranging from 80 percent for the high to 56 percent for the low performance class. It was noted during the study that the units in wood products are catering to the local markets and all their marketing efforts are confined to limited area.

The high transportation cost was cited to be the main reason for confining to local markets. In wood products also it is seen that there is only little difference between the scores of high and moderate performance class, but much difference is noted between the scores of high and low performance, and between moderate and low performance class.

The high transportation costs also restricts competition from similar units in distant areas and from large scale industries. The units serve a limited market and are comparatively well informed of the needs and preferences of the customers; and hence better scores for market focus. Since the wood

industries face only limited competition from similar firms and no competition from large firms, it can be inferred that the Wood Products industry are suitable for small scale operation.

### Customer Orientation Subelements - Paper Products and Printing (Table 5.17)

For market intelligence, the high performers get 20.56 percent, moderate 17.22 percent and low 6.94 percent. For product differentiation the high performers get 80 percent, moderate 36 percent and low 28 percent. For market focus the scores are 64 percent, for high and moderate; and 48 percent for low performance class. For promotion the scores are 56, 64 and 52 percent for high, moderate and low performance classes respectively. In paper products and printing also, the lowest score is for market intelligence among all the performance classes.

The high performance class get exceptional score for innovation (84%) and product differentiation (80%). The units that perform well are found to be excellent in product differentiation, and innovation in production and service using latest technology and machinery. Most of the units in this high performance category served the specific needs of the customers through product differentiation. In paper products and printing competition from large scale units was not reported and hence suitable for small scale industry.

But only those units with differentiated products and modern technology / machinery were seen to be performing well.

**Customer Orientation Subelements - Rubber and Plastic Products (Table 5.18)**

For market intelligence the scores obtained are 38 percent for high, 37.5 percent for moderate and 20 percent for low performance classes. For innovation the scores, are 10 percent for high and moderate classes and 32 for low performance class. For product differentiation 48 percent for high and moderate performance classes, and 32 percent for low performance class. For market focus, the scores are 64 for high, 56 for moderate and 44 percent for low performance class. For promotion, the scores are 72 percent for high and moderate and 44 percent for low performers. The units in rubber and plastic industry have reported employing trained sales representatives to promote the products to middle men and retailers, which has resulted in a comparatively high scores for promotion among the high and moderate performers. The sales representatives also collected market information from retailers and middlemen which enabled the units to modify the product. As a result comparatively a higher score is obtained for market intelligence by the high and moderate class. Most of the products manufactured by these units are capable of product differentiation. The

## Table 5.17
## Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Paper product and Printing

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 24 | 74 | 20.56 | 21 | 84 | 20 | 80 | 16 | 64 | 14 | 56 | 145 | 31.52 |
| Moderate | 7 | 62 | 17.22 | 10 | 40 | 9 | 36 | 16 | 64 | 16 | 64 | 113 | 24.57 |
| Low | 4 | 25 | 6.94 | 7 | 28 | 7 | 28 | 12 | 48 | 13 | 52 | 64 | 13.91 |

## Table 5.18
## Customer Orientation : Mean and percentage Score of High, Moderate and Low Performers - Rubber and Plastic products

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 6 | 135 | 38 | 10 | 40 | 12 | 48 | 16 | 64 | 18 | 72 | 191 | 41.52 |
| Moderate | 12 | 135 | 37.50 | 10 | 40 | 12 | 48 | 14 | 56 | 18 | 72 | 189 | 41.09 |
| Low | 4 | 72 | 20 | 8 | 32 | 8 | 32 | 11 | 44 | 11 | 44 | 110 | 23.91 |

high and moderate performers get 48 percent score for product differentiation.

**Customer Orientation Subelements-Chemical and Chemical Products(Table5.18)**

No units with high performance could be found in chemical and chemical products. Only moderate and low performing units were studied in this category. For market intelligence the scores are 33.33 percent for moderate and 19.72 percent for low performance class. For innovation the scores are 20 percent for moderate and 24 percent for low performance class. For product differentiation the scores are 24 percent and 16 percent; for market focus the scores are 60 percent and 56 percent respectively for moderate and low performance classes. For promotion the scores are 72 percent for moderate performers and 36 percent for low performers. The units in chemical and chemical products have comparatively very low scores for innovation and product differentiation. The manufacturing process in most of the products in this category are subject to scale economy and hence the units face strong competition from large scale industries. It can thus be inferred that most of the products in this category are not suitable for small scale operations. The respondents reported that large scale industries differentiate the products by brand image, company image, costly additives in the product, and costly packaging which are beyond the ability of most of

the entrepreneurs. Besides, the large scale industries spend huge amounts in research and development to upgrade the product, for advertising and promotion using national media. Promotion among the small units are confined to incentives to retailer and middlemen and localized advertising using local media. Moderate performing units in this category also gets comparatively fair score for market intelligence which is collected from middlemen, retailers and sales representatives. Collection of feed back from customers were not reported by any of the units in this category.

**Customer Orientation & Subelement- Non Metallic Mineral Product (Table 5.19)**

There are no units in high performance class in this category. Most of the units in this category also reported strong competition from large scale industries whose unit cost of production will be lower than that of small scale units due to their national market using larger network of distribution. The small scale units are unable to differentiate their products. The scores for product differentiation are only 20 percent for both moderate and low performance class.

In promotion all units concentrate on incentives, discounts, credit facility and gifts to middlemen and retailers. The score for promotion are 64 percent for moderate and 40 percent for low performance class. For innovation the scores are 24 percent only for both moderate and low

## Table 5.19
## Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Chemical and Chemical products

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 120 | 33.33 | 5 | 20 | 6 | 24 | 15 | 60 | 18 | 72 | 164 | 35.65 |
| Low | 8 | 71 | 19.72 | 6 | 24 | 4 | 16 | 14 | 56 | 9 | 36 | 104 | 22.61 |

## Table 5.20
## Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Non metalic Mineral products

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 1 | 125 | 34.72 | 6 | 24 | 5 | 20 | 15 | 60 | 16 | 64 | 167 | 36.30 |
| Low | 7 | 82 | 22.78 | 6 | 24 | 5 | 20 | 11 | 44 | 10 | 40 | 114 | 24.78 |

performance class. Market information is collected from retailers and middlemen regarding competitive products competitors strength and weakness. The scores for market intelligence are 34.72 percent for moderate and 22.78 percent for low performance class. Since most of the firms reported that their efficiency of operation is strongly affected by scale economy of the large scale industries, it can be inferred that most of the products in this category are not suitable for small scale operation.

**Customer Orientation Sub Elements - Metal Products (Table 5.20)**

Of the 27 units studied in this category 19 units are high performers, six units moderate and only two units are in the low performance class. The units in high performance class attributed product differentiation for their success. Product differentiation is done by innovative designs and fabrication - of the metal products. Since the design and structure of the products can be changed to meet the tastes of the customers, without alteration of the machinery. the units have an advantage in product differentiation. The scores for product differentiation are 80 percent for high, 68 percent for moderate and 44 percent for the low performance class. No units have reported competition from large scale industries as the costs and indirect expenditure of large manufactures makes them difficult to meet the individual to meet the individual preferences in design which

keeps on changing very fast. The small units can meet these individual requirements very efficiently and without alteration in the machinery.

Products in this category is thus very suitable for small scale operation, since large firms cannot enter in this field of operation. Market intelligence of the units is mostly confined to the collection of informations regarding competitor's products; and customer preferences as reported by the customers. The scores for market intelligence are 13.06 percent for high, 12.5 percent for moderate and 12.78 percent for low performance classes. For innovation the scores are 80 percent for high, 72 percent for moderate and 36 percent for low performers. Innovation is brought in by product design improvements, quality improvements and style changes. For market focus, the scores are 60 percent for high, 52 percent for moderate and 36 percent for low performance class.

**Customer Orientation Sub Element Machinery and Parts Except Electrical(Table 5.21)**

Of the nine units studies in this category three units belong to moderate and six in low performance class. There are no units in high performance class. The scores for market intelligence are 20.28 percent for moderate, and 13.61 for low performance. For innovation the scores are 60 percent for moderate and 40 percent for low performance class. For product differentiation the scores are 36 percent and 24 percent; for market focus 48

## Table 5.21
## Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Metal products

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 19 | 47 | 13.06 | 20 | 80 | 20 | 80 | 15 | 60 | 12 | 48 | 114 | 24.78 |
| Moderate | 6 | 45 | 12.50 | 18 | 72 | 17 | 68 | 13 | 52 | 12 | 48 | 105 | 22.83 |
| Low | 2 | 46 | 12.78 | 9 | 36 | 11 | 44 | 9 | 36 | 9 | 36 | 84 | 18.26 |

## Table 5.22
## Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Machinery and Parts Except electrical

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 3 | 73 | 20.28 | 15 | 60 | 9 | 36 | 12 | 48 | 18 | 72 | 127 | 27.61 |
| Low | 6 | 49 | 13.61 | 10 | 40 | 6 | 24 | 8 | 32 | 8 | 32 | 81 | 17.61 |

percent and 32 percent; and for promotion 72 percent and 32 percent respectively for moderate and low performers. The moderate performers in this class gets the highest score for innovation (60%). Most of the innovations are brought in by product and quality improvement, and new promotional techniques to influence the middlemen and retailers to push the products to the final consumer. The low performers in this category also get 40 percent score for innovations. Through innovation the units are able to differentiate their products. For product differentiation the scores are 36 percent for moderate performers and 24 percent for low performers. For market focus the scores are 48 and 32 percent for moderate and low performers; for market intelligence the scores are 20.28 and 13.61 percent for moderate and low performance class. For promotion the scores are 72 percent and 32 percent for moderate and low performance classes. .For promotion the moderate performers have high difference in score with low performers. Most of the units in this category have stated to have competition from similar units, in other states. To compete with the units they give more attention to promote their products through middlemen and retailers.

Most of the units in this category reported no competition from large scale manufacturers as it is uneconomic for them to produce such products in limited quantity to cater to the needs of small segments of the customers.

**Customer Orientation Sub Elements - Electrical Machinery and Parts(Table 5.22)**

For market intelligence the scores are 17.22, 16.67 and 14.17 percent respectively for high, moderate and low performance classes. For innovation the scores are 80, 72 and 44 percent; for product differentiation 78, 76, and 48 percent; for market focus 82, 72 and 40 percent : for promotion 84, 80 and 48 percent respectively for high, moderate and low performance classes. The high and moderate performing units in this category get notable score for promotion market focus and product differentiation. Most of the units in this category caters to the price sensitive segment of the customers. Competition from large scale manufacturers is curtailed by selling to price conscious segment. In this category also scale economy does not affect the firms as most of the units are involved in assembling of components to make electrical machinery and parts. The requirements of the customers are collected from the retailers and the products are differentiated according to their requirements. The changes in needs of the customers do not usually require changes in manufacturing system. Such flexibility enables them to meet the customer needs efficiently.

This indicates that the products in this category is also suitable for small scale operation. Majority of the units studied in this category fall in high

## Table 5.23
## Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Electrical Machinery and Parts

| Performance Class | No.of Units | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 11 | 62 | 17.22 | 20 | 80 | 19.5 | 78 | 20.5 | 82 | 21 | 84 | 143 | 31.09 |
| Moderate | 9 | 60 | 16.67 | 18 | 72 | 19 | 76 | 18 | 72 | 20 | 80 | 135 | 29.35 |
| Low | 1 | 51 | 14.17 | 11 | 44 | 12 | 48 | 10 | 40 | 12 | 48 | 96 | 20.87 |

## Table 5.24
## Customer Orientation : Mean and percentage Score of High, Moderate and Low performers - Repairing and Servicing

| Performance Class | No.of Class | Market Intelligence | | Innovation | | Product Differentiation | | Market focus | | Promotion | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 12 | 50 | 13.89 | 9 | 36 | 10 | 40 | 15 | 60 | 11 | 44 | 95 | 20.65 |
| Moderate | 2 | 44 | 12.22 | 9 | 36 | 7 | 28 | 12 | 48 | 11 | 44 | 83 | 18.04 |
| Low | 2 | 40 | 11.11 | 5 | 20 | 4 | 16 | 7 | 28 | 7 | 28 | 63 | 13.70 |

performance class which substantiates that the products in this category are suitable for small industries.

### Customer Orientation Sub Elements - Repairing and Servicing(Table 5.23)

For market intelligence the scores are 13.89, 12.22 and 11.11 percent, respectively for high, moderate and low performance class in this category. For innovation the scores are 36 percent for high and moderate and 20 percent for the low performance class. For product differentiation the scores are 40, 28 and 16 percent; for market focus 60, 48 and 28 percent respectively for high moderate and low performance class. For promotion high and moderate performers get 44 percent and low performers get 28 percent. Units in all the three classes have comparatively low scores for the different sub elements, when compared to other product categories. Most of the successful units in this category are situated near commercial, institutional and construction activity. The nature of service usually require face to face contact with customers to satisfy the specific needs of the customers and hence suitable for small scale operation. In this context it is advisable for such units to select their location near such centres of activity. The close interaction with the customers enables them to have a

proper understanding of the needs of the customer. Consequently the units in this category have good scores for market focus.

### Competitor Orientation Sub Elements - Food (A)(Table 5.25)

The different sub elements of competitor orientation are 1. Identification of competitors, 2. Review of competition, 3. Knowledge of competitor's current / potential strengths and weaknesses, 4. Response to competitor activity and 5 competitive strengths of the units. For the sub element identification of competitors the scores are 75, 70 and 40 percent; for review of competition, 75, 65 and 40 percent; for knowledge of competitor's current/potential, strengths/weaknesses 75, 70 and 35 percent; for response to competitor activity 56, 48 and 24 percent, for competitive strengths of the units 21.81, 21.82 and 12.73 percent respectively for high moderate and low performers in food(A) category. For the sub elements of competitor orientation also food(A) units have comparatively high scores. Most of the units in food(A) have reported competition both from similar units and large scale industry. It is seen that when competition is higher the score for market orientation of the units is also seen to be high. Food(A) has comparatively high scores for the sub elements of customer orientation as well as for competitor orientation. High and moderate performers have good percentage of scores for the different sub elements except for competitive strengths of the units where the high and moderate performers get only 21.81 percent. The

nature of the products in these category permits differentiation, but the units find it difficult to compete with well known brands of their main competitors which include large scale industries also. Most of the units were not able to promote their brands properly to compete effectively in the market. The scale economy applicable to most of the units is also a major force acting against them. The nature of the market for the products in this category demands huge advertising and sales promotion which is usually beyond the means of most of the units in this category. The scale economy and the huge marketing expenditure required to promote the products in this category points out the need for high investment inorder to survive. These are advantages possessed by large scale industrial units which works against the small units.

### Competitor Orientation Elements - Food (B)(Table 5.26)

For the sub elements of competitor orientation food(B) it also follows almost the same pattern as food(A). The high and moderate performing classes have fair score for all the sub elements of competitor orientation except for competitive strengths of the unit. The high and moderate performers get only 21.81 and 21.82 percent score respectively for competitive strengths, while the low performing units get only 12.73 percent only. As in Food(A) the competitive strengths of the units are very little and the large scale

## Table 5.25
## Competetor Orientation : Mean and percentage Score of High, Moderate and Low Performers - Food (A)

| Performance Class | No of units | Identification of Competetor's | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths / Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 5 | 7.5 | 75 | 15 | 75 | 15 | 75 | 14 | 56 | 12 | 21.81 | 63.50 | 48.46 |
| Moderate | 4 | 7 | 70 | 13 | 65 | 14 | 70 | 12 | 48 | 12 | 21.82 | 58 | 44.62 |
| Low | 5 | 4 | 40 | 8 | 40 | 7 | 35 | 6 | 24 | 7 | 12.73 | 32 | 24.62 |

## Table 5.26
## Competetor Orientation : Mean and percentage Score of High, Moderate and Low Performers - Food (B)

| Performance Class | No of Units | Identification of Competetor's | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths / Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 8 | 8 | 80 | 14 | 70 | 15.5 | 75 | 15 | 60 | 11 | 20 | 63.50 | 48.46 |
| Moderate | 7 | 6 | 60 | 12 | 60 | 13 | 65 | 13 | 52 | 11 | 20 | 55 | 42.31 |
| Low | 14 | 4 | 40 | 7 | 35 | 8 | 40 | 4 | 16 | 7 | 12.73 | 30 | 23.08 |

industries are the main competitors. This suggests that most of the products in food category are not suitable for small scale operation.

**Competitor Orientation Elements - Hosiery and Garments(Table 5.27)**

All the four units studies in this category fall in moderate performance class. The scores are 60 percent, 65 percent, 60 percent 25.45 percent and 21.82 percent respectively for identification of competitor's, review of competition, knowledge of competitors strengths and weaknesses, response to competitor activity and competitive strengths of the units. The units reported no competition from large scale industries. They cater to the different customer segments with differing tastes. The units collect data on their competitors from the retailers and regarding customers, from customer suggestions and complaints. Although the nature of product facilitates response to competitor activity, the units get 25.45 percent score for response to competitor activity. The results suggest that performance of the units can be improved by giving more attention to response to competitor activity.

Similarly, for competitive strengths also the score of the units is only 21.82 percent. The major strengths of the units include, lack of competition from large scale industries, flexibility in production system and the products manufactured are capable of differentiation by the small scale entrepreneurs. Most of the units studied lag behind in employing modern

technology/equipments. The replacement of outdated equipments/ machinery employed can improve quality of finished products, which would be a competitive advantage for the units.

### Competitor Orientation : Sub Elements - Wood Products(Table 5.28)

The scores of the different sub elements obtained by the three performance classes in wood products are shown in Table 5.28.

It is seen that there is not much difference in scores between the high and moderate performers; whereas there is high difference between high and low; and moderate and low. It is seen that for high, moderate and low performers, the highest score is for identification of competitors. The nature of the product and market limits the unit's area of sale. This is mainly due to the high transportation costs involved. Since the area of operation of the unit is limited, the units are able to identify the main competitors and their current and potential strengths and weaknesses. As in Hosiery and Garments, although the units have fair score for review of competition, the score for response to competitor activity is low.

The main competitive strengths of most of the successful units are nearness to market, i.e. nearness to institutional, commercial, construction activities; and households. No units reported competition from large scale units as it is uneconomic for large scale firms to operate in such bulk products; where

## Table 5.27
## Competetor Orientation : Mean and percentage Score of High, Moderate and Low Performers - Hosiery and Garments

| Performance Class | No of units | Identification of Competetors | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths / Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 6 | 60 | 13 | 65 | 12 | 60 | 14 | 25.45 | 12 | 21.82 | 57 | 43.85 |
| Low | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## Table 5.28
## Competetor Orientation : Mean and percentage Score of High, Moderate and Low Performers - Wood products

| Performance Class | No.of Units | Identification of Competetors | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths/ Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 19 | 6 | 60 | 10 | 50 | 11 | 55 | 8 | 32 | 16 | 29.09 | 51 | 39.23 |
| Moderate | 9 | 6 | 60 | 11 | 55 | 10 | 50 | 6 | 24 | 12 | 21.82 | 45 | 34.62 |
| Low | 7 | 4 | 40 | 6 | 30 | 5 | 25 | 4 | 16 | 8 | 14.55 | 27 | 20.77 |

the raw materials are purchased locally and the finished products sold to nearby market, Products in most of the wood products are thus suitable for small scale industries.

**Competitor Orientation : Sub Element - Paper Products Printing(Table 5.29)**

The scores obtained by three performance classes for the different sub elements are shown in Table-5.29. As in other product categories, units in high performance class has highest scores for the different sub elements followed by moderate and low performers. The difference in scores obtained by high and moderate performers is not high but there is considerable difference in scores between high and low; and between moderate and low. Most of the units in high performance class are located near institutional and commercial activity which is one of the competitive advantages possessed by the successful units. It was observed during the study that units in one location are not competing with units located in distant places. The units cater to the local needs and the competition is thus minimized from distant competitors. The units are thus capable of having adequate knowledge about the number and strengths of the competitors, main competitive strengths of the successful units are nearness to market, modern techniques of production/machinery product differentiation by way

of quality of service and production to suit the individual needs of the customers.

### Competitor Orientation:Sub elements-Rubber and Plastic Products(Table 5.30)

The scores obtained by the units in Rubber and Plastic Products for the different sub elements are shown in Table 5.30. It is seen that high and moderate performance have excellent scores in identification of competitors.Units in this category manufacture industrial as well as consumer goods. Majority of the units reported competition from similar and large scale units. Most of the products manufactured in this category by high and moderate class are sold through intermediaries; and professional sales personnel are engaged in selling the products. This explains the good score among high and moderate performers for identification of competitor's, review of competition, knowledge of competitors strengths and weaknesses. As in other product categories, response to activity and competitive strengths get lower score. The main competitive strengths of high and moderate performers are nearness to raw material, adoption of modern machinery/technology, Product differentiation and cost advantage in relation to main competitors.

## Table 5.29
## Competetor Orientation : Mean and percentage Score of High, Moderate and Low Performers - Paper and Printing

| Performance Class | No.of Unitis | Identification of Competetors | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths / Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 24 | 7 | 70 | 10 | 50 | 15 | 75 | 18 | 72 | 16 | 29.09 | 66 | 50.77 |
| Moderate | 7 | 5 | 50 | 9 | 45 | 13 | 65 | 16 | 64 | 12 | 21.82 | 55 | 42.31 |
| Low | 4 | 3 | 30 | 5 | 25 | 4 | 20 | 5 | 20 | 6 | 10.91 | 23 | 17.69 |

## Table 5.30
## Competetor Orientation : Mean and percentage Score of High, Moderate and Low Performers - Rubber and Plastics products

| Performance Class | No.of Units | Identification of Competetors | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths/ Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 6 | 8 | 80 | 14 | 70 | 14 | 70 | 12 | 48 | 8 | 14.55 | 56.00 | 43.08 |
| Moderate | 12 | 7 | 70 | 15 | 75 | 12 | 60 | 11 | 44 | 6 | 10.91 | 51 | 39.23 |
| Low | 4 | 4 | 40 | 7 | 35 | 6 | 30 | 5 | 20 | 4 | 7.27 | 26 | 20 |

**Competitor Orientation Sub elements Chemical and Chemical Products(Table 5.31)**

The scores obtained by the units for the sub elements of competitor orientation are shown in table 5.31. There are no high performers in this category. The scores obtained by moderate and low performers show high difference for the different sub elements. Most of the units in this category produces industrial products and one sold through intermediaries. During the study, most of the units reported competition from large scale industries in other states as one of their main problems. The units in this category are mainly manufacturers of industrial products which are sold through intermediaries who possess technical knowledge of the products, and are comparatively professional in sales function. These sales personnel gather information regarding competitors and their products. This accounts for the good score of moderate performer in identification of competitors, review of competition, knowledge of competitor's strengths and weaknesses, and response to competitor activity. But for competitive strengths the score is only 10.91 percent. Due to the nature of products manufactured the units lack most of the competitive advantages possessed by units in other categories. Still some of the units are able to differentiate their products by way of quality and brand image, while some successful units that serve to

specific segment of the market are able to achieve cost advantage in relation to their main competitors.

### Competitor Orientation: Sub Elements Non Metallic Mineral Products(Table 5.32)

The scores obtained for the subelements are shown in Table 5.32. Although the scores obtained by units in this category are comparatively lesser than the units in chemical and chemical products there is similarity in the pattern of scores. As in chemical and chemical products there are no high performers in this category. This can be due to the competition faced by the units in large scale industry and due to the scale economy enjoyed by large scale industry. The nature of activity, strengths and weaknesses, nature of competition faced by the units have close similarity to the units in chemical and chemical products. The scores obtained for competitive strengths is the lowest. The low performer's score of the different elements of competitor orientation is less than half the score of units in moderate performance class.

## Table 5.31
## Competetor Orientation : Mean and percentage Score of High, Moderate and Low Performers - Chemical and Chemical products

| Perforamance Class | No.of Units | Identification of Competetors | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths/ Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 8 | 80 | 15 | 75 | 14 | 70 | 12 | 48 | 6 | 10.91 | 55 | 42.31 |
| Low | 8 | 4 | 40 | 8 | 40 | 2 | 10 | 6 | 24 | 3 | 5.45 | 23 | 17.69 |

## Table 5.32
## Competetor Orientation : Mean and percentage Score of High, Moderate and Low Performers - Non metalic products

| Performance Class | No.of Units | Identification of Competetors | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths / Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 1 | 5 | 50 | 11 | 55 | 12 | 60 | 10 | 40 | 6 | 10.91 | 44 | 33.85 |
| Low | 7 | 3 | 30 | 4 | 20 | 7 | 35 | 4 | 16 | 3 | 5.45 | 21 | 16.15 |

### Competitor Orientation: Sub Elements - Metal Products(Table 5.33)

The scores obtained by the units for the different sub elements are shown in Table 5.33. The competition faced by the units is limited as units in one location are not competing with other units in distant location. Competition is restricted by the number of units in one location. The units thus possess adequate knowledge of competitors and their products which accounted for the fair scores of the sub elements. The high performing units have the second largest score (43.64%) for competitive strengths among all the industrial categories studied. The main competitive strengths possessed by successful units are nearness to commercial, institutional, and construction activities; flexibility in production, product differentiation and lack of competition from large scale industries. The competitive advantages possessed by the units thus attributes for the success of the units. It is note worthy that majority of the units fall in high performance class.

### Competitor Orientation: Sub Elements - Machinery and Parts Except Electrical(Table 5.34)

The moderate performers in this category have high percentage score for "Identification of competitors"(70%) followed by knowledge of competitor's current/potential strengths and weakness. The low performers have very little score(20%) for this element.

## Table 5.33
## Competetor Orientation : Mean and percentage Score of High, Moderate and Low Performers - Metal products

| Performance Class | No.of Unitis | Identification of Competetors | | Review of competition | | Knowledge of Competetor's Current Potential/Strengths / Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 19 | 6 | 60 | 10 | 50 | 12 | 60 | 12 | 48 | 24 | 43.64 | 64 | 49.23 |
| Moderate | 6 | 4 | 40 | 9 | 45 | 8 | 40 | 10 | 40 | 15 | 27.27 | 46 | 35.38 |
| Low | 2 | 4 | 40 | 4 | 20 | 3 | 15 | 4 | 16 | 12 | 21.82 | 27 | 20.77 |

## Table 5.34
## Competetor Orientation: Mean and percentage Score of High, Moderate and Low Performers - Machinary and Parts Except electrical

| Performance Class | No.of Units | Identification of Competetors | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths / Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 3 | 7 | 70 | 10 | 50 | 12 | 60 | 12 | 48 | 8 | 14.55 | 49 | 37.69 |
| Low | 6 | 5 | 50 | 6 | 30 | 4 | 20 | 7 | 28 | 6 | 10.91 | 28 | 21.54 |

**Competitor Orientation: Sub Elements Electrical Machinery and Parts(Table 5.35)**

The high and moderate performing class in this category have uniformly high percentage score for all the elements except for competitive strengths. The low performers have very low scores for these elements.

**Repairing & Servicing(Table 5.36)**

The high performers in this category have a high percentage score for Competitive strengths(58.18) and Review of competitors(55%). The moderate and low performers have comparatively lower scores for these elements.

**C. Long Term Focus : Sub elements - Food (A)(Table 5.37)**

Long term focus comprises of five sub elements Viz;

1. Formulation of long term objectives
2. Logical selection of the line of business
3. Logical selection of the market
4. Logical selection of location and
5. Logical selection of technology.

**Food A(Table 5.38)**

In this category it is seen that the highest percent score is for the formulation of long term objectives (80%) followed by the logical selection of

the market 56 percent. Similarly in the moderate group formulation of long term objectives has 70 percent followed by the logical selection of market (56%) and with the low performers also the same elements have 40 percent and 36 percent respectively. This shows that the food (A) category resort more to the formulation of long term objectives and logical selection of the market for their performance. This suggests the need for long term assessment of needs of the customers and the market for high performance in food category, which faces strong competition from large and small units. Besides respondents have reported frequent changes in preferences and perceptions among the customers of food products and hence the significance of long term formulation of objectives.

### Long Term Focus : Sub Elements

**Food (B)(Table 5.39)**

In the food (B) category also it is seen that the high performers have a high percentage score for the element, formulation of long term objectives (80%) followed by the element, logical selection of the market (56%). Similarly with the moderate performers, these elements get 80 percent and 60 percent respectively. In the low performers, no importance is given to the above mentioned two elements.They get ascore of 30 and 32 percentage respectively. It is noted that the high and moderate performers in Food (A) and Food (B) get highest score for formulation of long term objectives.

## Table 5.35
## Competetor Orientation : Mean and Percentage Score of High, Moderate and Low Performers - Electric Machinary & Parts

| Performance Class | No.of Units | Identification of Competetors | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths / Weaknesses | | Response to Competetor activity | | Competetive Strengths ofthe units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 11 | 8 | 80 | 15 | 75 | 15 | 75 | 17.5 | 70 | 12 | 21.82 | 67.50 | 51.54 |
| Moderate | 9 | 7 | 70 | 12 | 60 | 14 | 70 | 15 | 60 | 10 | 18.18 | 58 | 44.62 |
| Low | 1 | 4 | 40 | 3 | 15 | 7 | 35 | 6 | 24 | 7 | 12.75 | 27 | 20.77 |

## Table 5.36
## Competetor Orientation : Mean and percentage score of High, Moderate and Low Performers - Repairing and Servicing

| Performance Class | No.of Units | Identification of Competetors | | Review of Competition | | Knowledge of Competetor's Current Potential/Strengths / Weaknesses | | Response to Competetor activity | | Competetive Strengths of the units | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 12 | 5 | 50 | 11 | 55 | 10.5 | 52.5 | 12.5 | 50 | 32 | 58.18 | 71.00 | 54.62 |
| Moderate | 2 | 4 | 40 | 9 | 45 | 9.5 | 47.50 | 11 | 44 | 26 | 47.27 | 59.5 | 45.77 |
| Low | 2 | 3 | 30 | 5 | 25 | 6 | 30 | 5 | 20 | 20 | 36.36 | 39 | 30.00 |

### Long Term Focus: Sub Elements - Hosiery Garments(Table 5.40)

As no firms are found in the high and the low performers the percentage score of moderate performers is only discussed. The moderate performers in this category has given more importance to three elements, logical selection of technology /machinery (80%) formulation of long term objectives(80%) and logical selection of the market (76 percent). The market of hosiery and garments are subject to frequent changes in trends and fashions which makes it necessary for long term perspective in the formulation of objectives, selection of the market and logical selection of technology/machinery to serve the customers changing trends.

### Long Term Focus : Sub Elements - Wood Products(Table 5.41)

The high performers in this category have given more importance to the logical selection of the location (72% ) followed by the logical selection of the line of business (50 % ). Similarly the moderate performers also, have a high score for logical selection of the location (56%) followed by the logical selection of the line of business (43.33%). It is noteworthy that the location of wood industry plays a significant role in the performance of the firm

## Table 5.37
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Food (A)

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 5 | 8 | 80 | 15 | 50 | 14 | 56 | 12 | 48 | 7 | 46.67 | 56 | 53.33 |
| Moderate | 4 | 7 | 70 | 13 | 43.33 | 14 | 56 | 12 | 48 | 6 | 40 | 52 | 49.52 |
| Low | 5 | 4 | 40 | 7 | 23.33 | 9 | 36 | 7 | 28 | 3 | 20 | 30 | 28.57 |

## Table 5.38
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Food (B)

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 8 | 8 | 80 | 14 | 46.67 | 14 | 56 | 13 | 52 | 8 | 53.33 | 57 | 54.29 |
| Moderate | 7 | 8 | 80 | 12 | 40 | 15 | 60 | 12 | 48 | 7 | 46.67 | 54 | 51.43 |
| Low | 14 | 3 | 30 | 6 | 20 | 8 | 32 | 7 | 28 | 4 | 26.67 | 28 | 26.67 |

**Long Term Focus: Sub Elements - Paper Products and Printing(Table 5.42)**

The high performers in this category have given more importance to the element logical selection of technology/machinery (86.67%) followed by the element logical selection of location(80%). They have also given due importance to the element formulation of long term objectives(60%). Among moderate performers the element logical selection of technology/machinery has 80percentfollowed by the element logical selection of location (72%). The low performing group, gives much lesser importance for logical selection of location. This indicates that the low performers have made wrong selection of their location and machinery/technology. Ideal selection of location and employment of modern technology/machinery are thus indispensable for success in paper products and printing.

**Long Term Focus: Sub Elements - Rubber and Plastic Product(Table 5.43)**

The high performers in this category have a high percentage score for the element formulation of long term objectives (60%) followed by the elements logical selection of location(48%) and logical selection of market (48%). Among the moderate performers the element logical selection of location gets 52 percent and is followed by formulation of long term objective(50 percent). The scores obtained by low performers are much lower than moderate and low performers in all the sub elements.It suggests that, improvement in the logical selection of technology/machinery and the logical

selection of the market can improve the performance level of the Rubber and plastic industries. It is also to be noted that the market orientation of the category is relatively very low.

## Table 5.39
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Hosiery and Garments

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 8 | 80 | 16 | 53.33 | 19 | 76 | 12 | 48 | 12 | 80 | 67 | 63.81 |
| Low | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## Table 5.40
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Wood products

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 19 | 4 | 40 | 15 | 50 | 10 | 40 | 18 | 72 | 7 | 46.67 | 54 | 51.43 |
| Moderate | 9 | 4 | 40 | 13 | 43.33 | 9 | 36 | 14 | 56 | 6 | 40 | 46 | 43.81 |
| Low | 7 | 3 | 30 | 7 | 23.33 | 6 | 24 | 6 | 24 | 3 | 20 | 25 | 23.81 |

**Long Term Focus: Sub Elements-Chemical and Chemical Products (Table 5.43)**

The moderate performers in this category have more percentage score for the element logical selection of the market (72%) followed by the formulation of the long term objectives (70%) Since units in this category faces severe competition from large scale industries, extra care has to be taken for logical selection of market to restrict competition. The low performers in the category have much lower scores for all the five sub elements. This difference in scores between the moderate and low performers suggest the need to improve those traits to improve performance.

**Long-Term Focus : Sub Elements - Non Metallic Mineral Products(Table 5.44)**

The market characteristics are similar to that of chemical and chemical products. Units in this category also faces competition from units in large scale industry and therefore special care must be taken to select market and to formulate long term objectives to survive and perform efficiently. The low performers have very low scores for sub elements. Units in this category is also affected by the scale economy enjoyed by the large scale industrial units.

## Table 5.41
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Paper and Printing

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 24 | 6 | 60 | 15 | 50 | 14 | 56 | 20 | 80 | 13 | 86.67 | 68 | 64.76 |
| Moderate | 7 | 6 | 60 | 14 | 46.67 | 12 | 48 | 18 | 72 | 12 | 80 | 62 | 59.05 |
| Low | 4 | 4 | 40 | 8 | 26.67 | 6 | 24 | 10 | 40 | 5 | 33.33 | 33 | 31.43 |

## Table 5.42
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Rubber and Plastic products

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 6 | 6 | 60 | 12 | 40 | 12 | 48 | 12 | 48 | 7 | 46.67 | 49 | 46.67 |
| Moderate | 12 | 5 | 50 | 11 | 36.67 | 12 | 48 | 13 | 52 | 6 | 40 | 47 | 44.76 |
| Low | 4 | 4 | 40 | 5 | 16.67 | 7 | 28 | 8 | 32 | 3 | 20 | 27 | 25.71 |

### Long Term Focus: Sub Elements - Metal Products(Table 5.45)

The high performers in the category have a high percentage score for the element logical selection of location (76%) and in the logical selection of the market(72%). Similarly the moderate performers also have high percentage scores for logical selection of the market (68%) and the logical selection of location(56%). The scores obtained by low performers for these two sub elements are very low. Since units in this category caters to the needs of the neighbouring institutional, commercial and construction activities, special care must be taken for the selection of ideal location.

### Long Term Focus: Sub Elements Machinery and Parts Except Electrical(Table 5.46)

In this category, the moderate performers have a high percentage score of 72 percent for logical selection of the market, followed by60 percent for logical selection of location and the formulation of long term objectives(60%). The low performers have very low scores for all the sub elements.

Since units in this category also faces competition from similar and large units from within and outside the state, market selection must be carefully done to minimize competition.

## Table 5.43

## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Chemical and Chemical products

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | No | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 7 | 70 | 14 | 46.67 | 18 | 72 | 12 | 48 | 7 | 46.67 | 58 | 55.24 |
| Low | 8 | 4 | 40 | 11 | 36.67 | 9 | 36 | 7 | 28 | 3 | 26.67 | 35 | 33.33 |

## Table 5.44

## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Non mettalic products

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 1 | 7 | 70 | 10 | 33.33 | 14 | 56 | 14 | 56 | 6 | 40 | 51 | 48.57 |
| Low | 7 | 4 | 40 | 7 | 23.33 | 8 | 32 | 9 | 36 | 4 | 26.67 | 32 | 30.48 |

### Long Term Focus: Sub Elements: Electrical Machinery and Parts(Table 5.47)

In this category, the high performers have a high score of 80 percent for formulation of long term objectives and logical selection of the market, followed by 73.33 percent for logical selection of technology/machinery. Similarly with the moderate performers also these elements relatively have high percentage score. The low performers have comparatively very low scores for these elements. Which implies that these elements contributes to performance of the units in this category.

### Long Term Focus: Sub Elements - Repairing and Servicing(Table 5.48)

The high performers in this category have a high percentage score for logical selection of technology/machinery (80%), followed by the elements logical selection of the market(76%) and logical selection of location (76%).Among the moderate performers, the highest percentage score is for logical selection of technology/machinery(73.33%) followed by the formulation of long term objective"(70%) and the logical selection of location(68%). For logical selection of technology/machinery and logical selection of location, both high and moderate performers have scored well, whereas the score of low performing units for these elements are very low. It was observed during the study that most of the successful units are located near the market and employ latest equipments/machinery with a long term objective of satisfying the customers.

### Interfunctional Co-Ordination - Sub Elements

The scores obtained by each category of units in the three performance class is shown in Table5.49 to Table5.60 among the high performance class, the score for co-ordination of marketing functions range from 40 percent in wood units to 86 percent in food(B) units. Food(A), Food(B), Paper Products and printing, Rubber and Plastic Products, Electrical machinery and parts, metal products have scores above 60 percent. The scores obtained by moderate performers for co-ordination of marketing functions do not show much difference from the scores of high performers. The scores obtained by low performers do not show as much difference that is seen in other sub elements of market orientation. The nature of functioning of small units enables the manager to have close interaction with all the persons engaged in carrying out the operation of the units. This attributes the comparatively high score for co-ordination of marketing functions among the small scale units in all the classes. It is seen that the scores for co-ordination of marketing functions with other functions is slightly lower than the scores for co-ordination of marketing function in most of the categories in all classes. The score is same for the low performing class in wood products(26.66%).

Among the low performing units in Non metallic mineral products, there is much difference in the scores. (53.33 percent and 26.66%). The high performing class in food (A) Food (B) Rubber and plastic products, Electrical machinery and parts has the highest score for interfunctional co-ordination. The moderate performing class in food (A) Food (B) Hosiery and Garments, Paper Products and printing, Rubber and plastic products, chemical and chemical products, non metallic mineral products also have the highest scores for the sub elements of interfunctional co-ordination. The low performing units in all categories except metal products and repairing and servicing have the highest scores for the sub elements of interfunctional co-ordination. It is worth mentioning that interfunctional co-ordination is the greatest strengths possessed by small scale units. The nature and organisation of the small scale units enables quick decision making and involvement of all persons in different functions. All persons in different functions know the consumer needs, preferences and the strengths and limitations of the units. This is due to the frequent interaction between the owner-manager and the persons employed in different functions. Whereas in large scale organisation the interaction is limited by functional levels of hierarchy.

The organisation of small scale units is more suitable for interfunctional co-ordination than large scale organisation. The scores obtained by the units in this element of market orientation substantiates this point.

## Table 5.47
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Electrical Machinery and Parts

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 11 | 8 | 80 | 18 | 60 | 20 | 80 | 12 | 48 | 11 | 73.33 | 69 | 65.71 |
| Moderate | 9 | 7 | 70 | 15 | 50 | 18 | 72 | 13 | 52 | 10 | 66.67 | 63 | 60.00 |
| Low | 1 | 4 | 40 | 11 | 36.67 | 12 | 48 | 8 | 32 | 6 | 40 | 41 | 39.05 |

## Table 5.48
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Repairing and Servicing

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 12 | 5 | 50 | 15 | 50 | 19 | 76 | 19 | 76 | 12 | 80 | 70 | 66.67 |
| Moderate | 2 | 7 | 70 | 14 | 46.67 | 16 | 64 | 17 | 68 | 11 | 73.33 | 65 | 61.90 |
| Low | 2 | 3 | 30 | 8 | 26.67 | 7 | 28 | 12 | 48 | 6 | 40 | 36 | 34.29 |

## Table 5.49
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Food ( A)

| Performance Class | No.of units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 5 | 12 | 80 | 20 | 66.66 | 32 | 71.11 |
| Moderate | 4 | 12 | 80 | 18 | 60 | 30 | 66.67 |
| Low | 5 | 7 | 46.66 | 10 | 33.33 | 17 | 37.78 |

## Table 5.50
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Food (B)

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 8 | 13 | 86 | 19 | 63 | 32 | 71.11 |
| Moderate | 7 | 14 | 93.33 | 20 | 66.66 | 34 | 75.56 |
| Low | 14 | 8 | 53.33 | 9 | 30.00 | 17 | 37.78 |

## Table 5.51
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Hosiery and Garments

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 11 | 73.33 | 20 | 66.66 | 31 | 68.89 |
| Low | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## Table 5.52
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Wood products

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 19 | 6 | 40 | 10 | 33.33 | 16 | 35.56 |
| Moderate | 9 | 5 | 33.33 | 9 | 30 | 14 | 31.11 |
| Low | 7 | 4 | 26.66 | 8 | 26.66 | 12 | 26.67 |

## Table 5.53
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Paper products and Printing

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 24 | 10 | 66.66 | 18 | 60 | 28 | 62.22 |
| Moderate | 7 | 11 | 73.33 | 16 | 53.33 | 27 | 60 |
| Low | 4 | 7 | 46.66 | 8 | 26.66 | 15 | 33.3 |

## Table 5.54
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Rubber and Plastic products

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 6 | 11 | 73.33 | 19 | 63.33 | 30 | 66.67 |
| Moderate | 12 | 10 | 66.66 | 17 | 56.66 | 27 | 60.00 |
| Low | 4 | 6 | 40 | 11 | 36.66 | 17 | 37.78 |

## Table 5.55
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Chemical and Chemical products

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 4 | 10 | 66.66 | 15 | 50 | 25 | 55.56 |
| Low | 8 | 7 | 46.66 | 9 | 30 | 16 | 35.56 |

## Table 5.56
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Non mettalic Mineral products

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 1 | 10 | 66.66 | 14 | 46.66 | 24 | 53.33 |
| Low | 7 | 8 | 53.33 | 8 | 26.66 | 16 | 35.56 |

## Table 5.57
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Metal products

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 19 | 10 | 66.66 | 15 | 50 | 25 | 55.56 |
| Moderate | 6 | 9 | 60 | 13 | 43.33 | 22 | 48.89 |
| Low | 2 | 6 | 40 | 7 | 23.33 | 13 | 28.89 |

## Table 5.58
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Machinery and Parts Expected electrical

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 3 | 10 | 66.66 | 15 | 50 | 25 | 55.56 |
| Low | 6 | 8 | 53.33 | 11 | 36.66 | 19 | 42.22 |

## Table 5.59
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Electrical Machinery and Parts

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 11 | 12 | 80 | 21 | 70 | 33 | 73.33 |
| Moderate | 9 | 11 | 73.33 | 19 | 63.33 | 30 | 66.67 |
| Low | 1 | 7 | 46.66 | 12 | 40.00 | 19 | 42.22 |

## Table 5.60
## Interfunctional Co-ordination : Mean and percentage Score of High Moderate and Low Performers - Repairing and Servicing

| Performance Class | No.of Units | Co-ordination of Marketing functions | | Co-ordination of Marketing functions with other functions | | Total | |
|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % |
| High | 12 | 8 | 53.33 | 10 | 33.33 | 18 | 40 |
| Moderate | 2 | 7 | 46.66 | 9 | 30 | 16 | 35.56 |
| Low | 2 | 8 | 53.33 | 4 | 13.33 | 12 | 26.67 |

# Chapter VI

## Summery, Conclusions and Suggestions

The small business has attracted very little attention of the historians in the ancient times, or public mind inspite of the fact that its impact on the various civilisations has been phenominal. Even in recent times economists considered the small firms as inappropriate, obselate and anacronistic as it cannot assimilate the full potential of technological change in the production system. But today everybody agrees that the small business has a definite role in shaping the human destiny and enhancing the quality of life in any society. In a developing country like India small firms are necessary to generate employment for millions, high standared of personal choice to consumers, provide competition and act as a check to monopoly power; further the small firms provide an important source of innovation and in turn it paves the way for entrepreneur development in the society.

In many countries the small enterprises played a significant role in the growth and development of their economic system. Italy and Japan are quoted as classic examples.

In India, too, with the abundance of labour and scarce capital resources small firms have been promoted and protected by the government. But one must say that the small firm owners/managers in India have been shy in developing a market orientation in themeselves. Due to this many firms failed and closed. The alarming rate of sickness among the small firms in India may be attributed to the lack of market driven/customer orientation approach among the owner/managers of small business. So the study on the market oreintation of the small firms has never been in the mind of marketing experts and academicians. Thus, an attempt is made to enquire into them systematically and scientifically. For the study, Trivandrum district in Kerala has been selected. The data for the study has been collected by the help of a schedule which has been prepared after consulting the relevant literature and after consultation with experts in the field, academicians and practising managers.

There are 232 units covered in the study; they belong to 12 industry group according to the industrial classification of the governemnt. They are classified into, high, moderate and low performers according to their business profitability. The study also attempted to analyse the market orientation and their subelements in details. From the study very important and useful conclusions are emerged.

For food (A) and food (B) categories give almost equal attention to customer orientation, competitive oreintation and long term focus. Both type of firms exercised additional effort in interfunctional coordination. The result of the analysis shows that coordination of the marketing function and coordination of the other functions of the firms play a dominant role in the success of the units. The high level of interfunctional coordination enables the firms to achieve higher productivity product success and lower unit costs resulting in high performance. For hosiery and garments also interfunctional coordination is the main contributing factor for success.

In wood industry, the results of the analysis show that the success of the units is associated with the selection of the location and logical selection of machinery and equipments. Eventhough most of them are successful in operation their market orientation is at the low ebb. Their strength is in the location of the unit. If they are developing a better sense of market orientation the industry can further improve the performance.

In paper and printing industry catagory, the main strengths are long term focus and interfunctional coordination. It implies that these units have to concentrate on other elements of market oreintation to improve their performance further.

Non-metallic category of industries in Trivandrum districs are not-highperformers according to this study. They thrive somehow because of their high level of interfunctional co-irdinatioon and long term focus. It may be noted that this industry is not a major one in the district. Units in this category needs special care to differentiate the market and the long term objecvtive. The analysis in chapter v establishes this point beyond doubt.

Metallic products industry in the district is also not that much developed in the state. Perhaps these units are depending on the large industries and few customers. So logical selection of the location is found to be very important for the growth of the industry.

In machinary and parts except electrical, there is no unit in high performing class. The reason may be that this category of industry has not developed in the state. It is notice that these industries have severe ompetition from other states. In order to establish the credibility of the units, more promotional activities have to be under taken.

The category electrical machinary and parts caters to the price sensitive segments of the customers. They are good at collecting at market intelligence from retailers and differenctiate the products. This is a suitable cateogry for small scale production in the State.

In reparing and servicing the units have comparatively low score for different elements of market orientation. The successful units are located near the commercial centres.

The nature os servi ce usually require face to face contact with customers to satisfy the specific needs of the customers and hence suitable for small scale operation.

Of the 232 units in all the tweleve categories the total score of the high performers shows a high level of market orientation, compared to the total mean score. The moderate group also exhibits a high degree of market orientation, where as the low performers have significantly low degree of market orientation. The relationship between market orientation and business performance is done by correlation analysis. The competitive strengths possed by successful firms are assessed from the extent of responses received for each item of the competitive strength. For the high performers the total correlation is .77 For moderate and low performance classes correlation to performance is found to be .32.

In rubber and plastic category, also more or less the same pattern prevails among the successful firms. The analysis of the subelements also reinforce the findings. By improving the market intelligence and better product differentiation they can further improve their performance and profitability.

## Major Findings

1. In most of the categories of industries, there are more number of high performing units followed by moderate performing units and low performing units
2. High performing units have more score in market orientation than moderate performing units and low performing units
3. Moderate performing units also have high scores in market orientation than low performing units.
4. There is strong positive correlation between market orientation and business performance
5. Successful units have distinct competitive strengths not possessed by unsuccessful ones.

## Areas for Further Research

1. The relationship between market orientation and business performance can be examined in other districts, states or nationally with special emphasis of a developing economy
2. The relationship between market orientation and other functions viz the quality of human resources management may be studied.

Annexure I

SCHEDULE

# MARKETING ORIENTATION OF SMALL FIRMS-A STUDY WITH REFERENCE TO TRIVANDRUM DISTRICT

1. **Name and address of the unit**

2. **Product class under SSI classification**

| No | 2.1 | Name | 2.2 |
|---|---|---|---|
| | | | |

3. **Product catogory**

| | | | | | |
|---|---|---|---|---|---|
| 3.1 | consumer | 3.2 | Industrial | 3.3 | Ancillary |
| 3.4 | Assembling | 3.5 | Service | 3.6 | Other/Specify |

4. **Nature of product**

| | | | | | |
|---|---|---|---|---|---|
| 4.1 | Generic | 4.2 | Differentiated | 4.3 | Customised |
| 4.4 | Semi finished | | | | |

5. **Area of Sale**

| | |
|---|---|
| Local | 5.1 |
| Part of TVM Dist | 5.2 |
| Whole of TVM Dist | 5.3 |
| TVM Dist & Neighbouring Dist | 5.4 |
| Other districts | 5.5 |
| Other States | 5.6 |
| Export | 5.7 |

6. **Sources of Raw materials**

| | |
|---|---|
| Local/Near by Area | 6.1 |
| Within District | 6.2 |
| Outside District | 6.3 |
| Other States | 6.4 |

7. **Ranking of major problems**

| | |
|---|---|
| Marketing Problems | 7.1 |
| Raw material Problem | 7.2 |
| Personnel Problem | 7.3 |
| Production problem | 7.4 |
| General Administration | 7.5 |
| Technichal | 7.6 |
| Export | 7.7 |

8. **Ranking of major Marketing Problems**

| | |
|---|---|
| Competition from large firms | 8.1 |
| Competition from small firms | 8.2 |
| Quality of Products | 8.3 |
| No unique attribute/product undifferentiated | 8.4 |
| Frequent change in fashion/consumer trends | 8.5 |
| Manufacturing system unadaptable to meet market changes | 8.6 |
| Others-Specify | 8.7 |

# Customer Orientation

## Market Inteligence ( Routine Primary Data Collection )

### Market and sales

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.1 | Market size | 1 | 2 | 3 | 4 | 5 |
| 9.2 | Market potential | 1 | 2 | 3 | 4 | 5 |
| 9.3 | Market share | 1 | 2 | 3 | 4 | 5 |
| 9.4 | Market characteristics | 1 | 2 | 3 | 4 | 5 |
| 9.5 | Sales performance | 1 | 2 | 3 | 4 | 5 |

### Product

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.6 | Existing product | 1 | 2 | 3 | 4 | 5 |
| 9.7 | New product | 1 | 2 | 3 | 4 | 5 |
| 9.8 | Technical Development | 1 | 2 | 3 | 4 | 5 |
| 9.9 | Packaging | 1 | 2 | 3 | 4 | 5 |
| 9.10 | Services | 1 | 2 | 3 | 4 | 5 |

### Business economics

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.11 | Short range forecasting (upto 1 Year) | 1 | 2 | 3 | 4 | 5 |
| 9.12 | Long range forecasting (over 1 Year) | 1 | 2 | 3 | 4 | 5 |
| 9.13 | Pricing | 1 | 2 | 3 | 4 | 5 |

### Promotion

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.14 | Personal selling | 1 | 2 | 3 | 4 | 5 |
| 9.15 | Sales promotion | 1 | 2 | 3 | 4 | 5 |
| 9.16 | Advertising effectiveness | 1 | 2 | 3 | 4 | 5 |
| 9.17 | Public relations | 1 | 2 | 3 | 4 | 5 |

### Distribution

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.18 | Transportation | 1 | 2 | 3 | 4 | 5 |
| 9.19 | Channels-middlemen | 1 | 2 | 3 | 4 | 5 |

### Customer

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.20 | Customer feedback / complaints | 1 | 2 | 3 | 4 | 5 |
| 9.21 | Customer preception of competitive Products / services | 1 | 2 | 3 | 4 | 5 |
| 9.22 | Customer needs/ preferences | 1 | 2 | 3 | 4 | 5 |

**Export**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.23 | International market characteristics | 1 | 2 | 3 | 4 | 5 |
| 9.24 | Export possibilities / procedures | 1 | 2 | 3 | 4 | 5 |

**Competition**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.25 | Competitor's strengths / weaknesses | 1 | 2 | 3 | 4 | 5 |
| 9.26 | Competitor's Marketing Strategics | 1 | 2 | 3 | 4 | 5 |
| 9.27 | Competitor's Products / services | 1 | 2 | 3 | 4 | 5 |

**Routine Secondary Data Collection**

**Market and Sales**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.28 | Market size | 1 | 2 | 3 | 4 | 5 |
| 9.29 | Market potential | 1 | 2 | 3 | 4 | 5 |
| 9.30 | Market share | 1 | 2 | 3 | 4 | 5 |
| 9.31 | Market characteristics | 1 | 2 | 3 | 4 | 5 |
| 9.32 | Sales performance | 1 | 2 | 3 | 4 | 5 |

**Product**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.33 | Existing Product | 1 | 2 | 3 | 4 | 5 |
| 9.34 | New Product | 1 | 2 | 3 | 4 | 5 |
| 9.35 | Technical Development | 1 | 2 | 3 | 4 | 5 |
| 9.36 | Packaging | 1 | 2 | 3 | 4 | 5 |
| 9.37 | Services | 1 | 2 | 3 | 4 | 5 |

**Business economics**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.38 | Short range forecasting (upto 1 year) | 1 | 2 | 3 | 4 | 5 |
| 9.39 | Long range forecasting (over 1 year) | 1 | 2 | 3 | 4 | 5 |
| 9.40 | Pricing | 1 | 2 | 3 | 4 | 5 |

**Promotion**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.41 | Personal selling | 1 | 2 | 3 | 4 | 5 |
| 9.42 | Sales promotion | 1 | 2 | 3 | 4 | 5 |
| 9.43 | Advertising effectiveness | 1 | 2 | 3 | 4 | 5 |
| 9.44 | Public relations | 1 | 2 | 3 | 4 | 5 |

**Distribution**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.45 | Transportation | 1 | 2 | 3 | 4 | 5 |
| 9.46 | Channels - middlemen | 1 | 2 | 3 | 4 | 5 |

**Customer**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.47 | Customer feedback / complaints | 1 | 2 | 3 | 4 | 5 |
| 9.48 | Customer perception of competitive products / services | 1 | 2 | 3 | 4 | 5 |
| 9.49 | Customer needs / preferences | 1 | 2 | 3 | 4 | 5 |

**Export**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.50 | Ineternational market characteristics | 1 | 2 | 3 | 4 | 5 |
| 9.51 | Export possibilities / proceedures | 1 | 2 | 3 | 4 | 5 |

**Competitors**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.52 | Competitor's strengths / weaknesses | 1 | 2 | 3 | 4 | 5 |
| 9.53 | Competitor's marketing strategies | 1 | 2 | 3 | 4 | 5 |
| 9.54 | Competitor's products / services | 1 | 2 | 3 | 4 | 5 |

**Market Research**

**Market and sales**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.55 | Market size | 1 | 2 | 3 | 4 | 5 |
| 9.56 | Market potential | 1 | 2 | 3 | 4 | 5 |
| 9.57 | Market share | 1 | 2 | 3 | 4 | 5 |
| 9.58 | Market characteristics | 1 | 2 | 3 | 4 | 5 |
| 9.59 | Sales performance | 1 | 2 | 3 | 4 | 5 |

**Product**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.60 | Existing product | 1 | 2 | 3 | 4 | 5 |
| 9.61 | New product | 1 | 2 | 3 | 4 | 5 |
| 9.62 | Technical Development | 1 | 2 | 3 | 4 | 5 |
| 9.63 | Packaging | 1 | 2 | 3 | 4 | 5 |
| 9.64 | Services | 1 | 2 | 3 | 4 | 5 |

**Business economics**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.65 | Short range forecasting (upto 1 year) | 1 | 2 | 3 | 4 | 5 |
| 9.66 | Long range forecasting (over 1 year) | 1 | 2 | 3 | 4 | 5 |
| 9.67 | Pricing | 1 | 2 | 3 | 4 | 5 |

**Promotion**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.68 | Personal selling | 1 | 2 | 3 | 4 | 5 |
| 9.69 | Sales promotion | 1 | 2 | 3 | 4 | 5 |
| 9.70 | Advertising effectiveness | 1 | 2 | 3 | 4 | 5 |
| 9.71 | Public relations | 1 | 2 | 3 | 4 | 5 |

**Distribution**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.72 | Transportation | 1 | 2 | 3 | 4 | 5 |
| 9.73 | Channels - middlemen | 1 | 2 | 3 | 4 | 5 |

**Customer**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.74 | Customer feedback / complaints | 1 | 2 | 3 | 4 | 5 |
| 9.75 | Customer preception of competitive Products / services | 1 | 2 | 3 | 4 | 5 |
| 9.76 | Customer needs / preferences | 1 | 2 | 3 | 4 | 5 |

**Export**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.77 | Interenational market characteristics | 1 | 2 | 3 | 4 | 5 |
| 9.78 | Export possibilities / prodeedures | 1 | 2 | 3 | 4 | 5 |

**Competitors**

| | | | | | | |
|---|---|---|---|---|---|---|
| 9.79 | Competitor's strenghts / weaknesses | 1 | 2 | 3 | 4 | 5 |
| 9.80 | Competitor's marketing strategies | 1 | 2 | 3 | 4 | 5 |
| 9.81 | Competitor's products / services | 1 | 2 | 3 | 4 | 5 |

## Innovations

| | | | | | | |
|---|---|---|---|---|---|---|
| 10.1 | Product improvements | 1 | 2 | 3 | 4 | 5 |
| 10.2 | Quality improvements | 1 | 2 | 3 | 4 | 5 |
| 10.3 | Style Changes | 1 | 2 | 3 | 4 | 5 |
| 10.4 | New services | 1 | 2 | 3 | 4 | 5 |
| 10.5 | New promotional techniques | 1 | 2 | 3 | 4 | 5 |

## Product Differentiation

| | | | | | | |
|---|---|---|---|---|---|---|
| 10.6 | Performance / Product attribute | 1 | 2 | 3 | 4 | 5 |
| 10.7 | Price quality advantage | 1 | 2 | 3 | 4 | 5 |
| 10.8 | Brand image | 1 | 2 | 3 | 4 | 5 |
| 10.9 | Delivery arrangement | 1 | 2 | 3 | 4 | 5 |
| 10.10 | After sales service | 1 | 2 | 3 | 4 | 5 |

## Market Focus

| | | | | | | |
|---|---|---|---|---|---|---|
| 10.11 | Ability to define market | 1 | 2 | 3 | 4 | 5 |
| 10.12 | Ability to identify the features | | | | | |
| | with maximum appeal | 1 | 2 | 3 | 4 | 5 |
| 10.13 | Ability to identify the benefits, the customer | | | | | |
| | gets from each appeal | 1 | 2 | 3 | 4 | 5 |
| 10.14 | Ability to identify differential benifits | 1 | 2 | 3 | 4 | 5 |
| 10.15 | Ability to anticipate changes in | | | | | |
| | the customer needs | 1 | 2 | 3 | 4 | 5 |

## Promotion

| | | | | | | |
|---|---|---|---|---|---|---|
| 10.16 | Advertizing | 1 | 2 | 3 | 4 | 5 |
| 10.17 | Personal selling | 1 | 2 | 3 | 4 | 5 |
| 10.18 | Sales Promotion | 1 | 2 | 3 | 4 | 5 |
| 10.19 | Publicity | 1 | 2 | 3 | 4 | 5 |
| 10.20 | Public relations | 1 | 2 | 3 | 4 | 5 |

# Competitor Orientation

### Identification of Competitors

| | | | | | | |
|---|---|---|---|---|---|---|
| 11.1 | Knowledge of the number of firms offering a similar product / service / substitutes | 1 | 2 | 3 | 4 | 5 |
| 11.2 | Knowledge of the number of firms offering a similar product / service / substitutes to the same set of customer | 1 | 2 | 3 | 4 | 5 |

### Review of competition

| | | | | | | |
|---|---|---|---|---|---|---|
| 11.3 | Knowledge of the competitor's Marketing practices | 1 | 2 | 3 | 4 | 5 |
| 11.4 | Assessment of competitors likely moves | 1 | 2 | 3 | 4 | 5 |
| 11.5 | Knowledge of competitor's strategy | 1 | 2 | 3 | 4 | 5 |
| | Competitor's current / potential strenghts / weaknesses | | | | | |
| 11.6 | Knowledge of competitor's key data Viz - sales market share, profit margin / return on investment, capacity utilization | 1 | 2 | 3 | 4 | 5 |
| 11.7 | Knowledge of competitors key success factors viz quality image, organisational image, technical competence, product differentiation, scale economy, after sale service etc. | 1 | 2 | 3 | 4 | 5 |
| 11.8 | Assesment of competitor's potential sucess factors | 1 | 2 | 3 | 4 | 5 |

### Responce to competitor activity

| | | | | | | |
|---|---|---|---|---|---|---|
| 11.9 | Product changes / modufication during the past 5 years in responce to competitor activity | 1 | 2 | 3 | 4 | 5 |
| 11.10 | New product introduction in the past 5 years in response to competitor activity | 1 | 2 | 3 | 4 | 5 |

| | | |
|---|---|---|
| 11.11 | Price changes during the past 5 years in response to competitor activity | 1 2 3 4 5 |
| 11.12 | Promotional changes during the past 5 years in responce of the competitor activity | 1 2 3 4 5 |
| 11.13 | Changes in distribution during the past 5 years in responce to competitor activity | 1 2 3 4 5 |

**Competitive strengths of the unit**

| | | |
|---|---|---|
| 11.14 | Limited total demand; uneconomic for large scale firms to enter (no competition from large firm) | 1 2 3 4 5 |
| 11.15 | Nature of the product / service requires moderate precision equipments only within the scope of SSI; Do not require high precision equipment; or capacity for research and design | 1 2 3 4 5 |
| 11.16 | Simple assembling units which can be done efficientely in short production runs and does not require continuous repetitive operations that bring in scale economy | 1 2 3 4 5 |
| 11.17 | Cost advantage in relation to main competitors / optimum plant size and unit cost low / internal efficiency achieved | 1 2 3 4 5 |
| 11.18 | Employs modern technology / equipments available ; outdated traditional equipments not employed | 1 2 3 4 5 |
| 11.19 | Plant located near the primary resources / raw material ; reduced transportation cost in relation to the main competitors | 1 2 3 4 5 |
| 11.20 | Plant located near the consuming market / manufacturing / institutional activity. | 1 2 3 4 5 |
| 11.21 | The manufacturing process reduces the weight / bulk / handling difficulty of the principal resources, rendering the product for cheaper transport to distant markets | 1 2 3 4 5 |
| 11.22 | Flexible manufacturing system capable of meeting chainging trends in the market | 1 2 3 4 5 |
| 11.23 | Product / service subject to long term technological change only and not subject to short term technological change | 1 2 3 4 5 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 11.24 | Product / service properly differentiated by design / quality / brand image / service / company Image | 1 | 2 | 3 | 4 | 5 |

**Long Term Focus**

**Formulation of long term objectives**

| | | | | | | |
|---|---|---|---|---|---|---|
| 12.1 | Assessment of unit's long term sale and profit (5 years) | 1 | 2 | 3 | 4 | 5 |
| 12.2 | Assessment of Industry's position after 5 Year's | 1 | 2 | 3 | 4 | 5 |

**Factors considered in selecting the line of Business / Product**

| | | | | | | |
|---|---|---|---|---|---|---|
| 12.3 | Competition | 1 | 2 | 3 | 4 | 5 |
| 12.4 | Demand for the product / unfullfilled Customer need / Customer satisfaction | 1 | 2 | 3 | 4 | 5 |
| 12.5 | Unique marketing / Product idea | 1 | 2 | 3 | 4 | 5 |
| 12.6 | Entrepreuneur's / unit's strengths and capability | 1 | 2 | 3 | 4 | 5 |
| 12.7 | Growth opportunity | 1 | 2 | 3 | 4 | 5 |

**Factors considered in selecting market**

| | | | | | | |
|---|---|---|---|---|---|---|
| 12.8 | Competition | 1 | 2 | 3 | 4 | 5 |
| 12.9 | Unfulfilled customer need / Customer satisfaction | 1 | 2 | 3 | 4 | 5 |
| 12.10 | Unit's / entrepreuneur's strenghts and capabilities | 1 | 2 | 3 | 4 | 5 |
| 12.11 | Cost advantage over competitors | 1 | 2 | 3 | 4 | 5 |
| 12.12 | Growth opportunity | 1 | 2 | 3 | 4 | 5 |

**Factors Considered for locational decision**

| | | | | | | |
|---|---|---|---|---|---|---|
| 12.13 | Competition | 1 | 2 | 3 | 4 | 5 |
| 12.14 | Locational advantage / cost advantage | 1 | 2 | 3 | 4 | 5 |
| 12.15 | Optimisation of transportation / distribution cost | 1 | 2 | 3 | 4 | 5 |
| 12.16 | Growth opportunity | 1 | 2 | 3 | 4 | 5 |
| 12.17 | Long term profit | 1 | 2 | 3 | 4 | 5 |

**Factors considered in selecting technology / machinary**

| | | | | | | |
|---|---|---|---|---|---|---|
| 12.18 | Operating cost | 1 | 2 | 3 | 4 | 5 |
| 12.19 | Scale economy | 1 | 2 | 3 | 4 | 5 |
| 12.20 | Competition | 1 | 2 | 3 | 4 | 5 |
| 12.21 | Long term growth and profit | 1 | 2 | 3 | 4 | 5 |

# Interfunctional Co-ordination

**Co-ordination of marketing functions**

| | | | | | | |
|---|---|---|---|---|---|---|
| 13.1 | Marketing goals/plans are set after the owner/manager consults all persons involved in different marketing functions | 1 | 2 | 3 | 4 | 5 |
| 13.2 | Owner/manager co-ordinates and gives constructive feedback to all persons involved in marketing the product/service | 1 | 2 | 3 | 4 | 5 |
| 13.3 | All person in different marketing functions actively involve in while modifying/designing or conceptualizing new products | 1 | 2 | 3 | 4 | 5 |

**Co-ordination of marketing functions with other functions**

| | | | | | | |
|---|---|---|---|---|---|---|
| 13.4 | All persons in different functional areas know consumer needs | 1 | 2 | 3 | 4 | 5 |
| 13.5 | All persons in different functional areas know the unit's competence and limitations in satisfying customers | 1 | 2 | 3 | 4 | 5 |
| 13.6 | All person in different marketing functions actively involve in while modifying/designing or conceptualizing new products. | 1 | 2 | 3 | 4 | 5 |
| 13.7 | Owner manager appreciates/rewards/every functional area for contributing to creating superior value to customers | 1 | 2 | 3 | 4 | 5 |
| 13.8 | Owner/manager communicates market and competitor information to personnel in different functional areas | 1 | 2 | 3 | 4 | 5 |
| 13.9 | Owner/manager rates marketing as the most important function in his organisation | 1 | 2 | 3 | 4 | 5 |

## 40 Return on Investment

| Year | | % |
|---|---|---|
| 40.1 | 1 | |
| 40.2 | 2 | |
| 40.3 | 3 | |
| 40.4 | 4 | |
| 40.5 | 5 | |

## 41 Financial status as reported by the owner/manager

| | |
|---|---|
| Rinning on Profit | 41.1 |
| Running on no loss no profit | 41.2 |
| Running on Loss | 41.3 |
| Do not know | 41.4 |
| Refused | 41.5 |

## 42 Nature of ownership

| | |
|---|---|
| Sole Proprietorship | 42.1 |
| Partnership | 42.2 |
| Private Limited | 42.3 |
| Public Limited | 42.4 |
| Others/Specify | 42.5 |

## 43 Age of Owner/Manager

| | |
|---|---|
| Under 30 | 43.1 |
| 30-39 | 43.2 |
| 40-49 | 43.3 |
| 50-59 | 43.4 |
| 60 and above | 43.5 |

## 44 Qualification of owner/manager

| | |
|---|---|
| School level | 44.1 |
| Pre University | 44.2 |
| Graduate | 44.3 |
| Professional | 44.4 |
| Technical | 44.5 |
| Training | 44.6 |

# BIBLIOGRAPHY


Aaker, David A and J Gary Shansby, (1982) :Positioning Your Product:, Business Horizons, May-June.

Aaker, David A and James Carman, (1982) "Are Your Overspending?" *Journal of Advertising Research,* August/September.

Aaker, David A and Kevin L Keller, (1990) Consumer Evaluations of Brand Extensions", *Journal of Marketing,* January.

Aaker, David A, (1988) *Strategic Market Management,* 2nd ed. (John Wiley and Sons, New York:).

Abraham V.L. (1991), *Industrial sickness - A study of the reseasons and causes for Industrial sickness among small scale Industries in Kerala,* Ph. D. Thesis, (Unpublished), Cochin University of Science and Technology. Cochin.

Agarwal, J.D., (1992) "Industiral Sickness", Business Analyst; Shri Ram College of Commerce, July-December, Delhi.

Agrawal, A.N, (1982) *Indian Economy,* Vikas Publishing House Pvt. Ltd., New Delhi;.

Ahluwalia, (1985) Insher Judge: *Industrial Growth in India,* Oxford University Press New Delhi;.

Ahmad, Nisar, (1987) *Problems and Management of Small Scale and Industries* Deep and Deep Publication, New Delhi.

Alexander, P.C : (1963) *Industrial Estates in India,* Asia Publishing house, Bombay.

Amboise, Gerald D' and Marie Muldowney, (1988) "Management Theory for

Small Business: Attempts and Requirements", *Academy of Management, Review*, Volume 13, No.2.

Anderson, Erin, Weyien Chu, and Barton Weitz, (1987) "Industrial Purchasing: An Empirical Exploration of the Buyclass Framework," *Journal of Marketing, July*.

Anderson, J.C., G.Cleverlard and R.G Sehroeder, (1989) "Operations Strategy: A Literature Review", *Journal of Operations Management.*

Ansoff, H. Igor, 1957 "Strategies for Diversification," *Harvard Business Review,* September-October.

Babu,P, (1978) *A study of the Sociology Characteristics of Small Scale Industries.* Ph.D Thesis, University of Kerala, (unpublished).

Baker, Moosa,A, (1979) *Role of small Industries in the Economic Development of Kerala,* Ph.D Thesis, University of Calicut (unpublished)

Balakrishnan,G, (1961) *Financing Small Industries in India:* (1950-52), Asia Publishing House Bombay.

Bannock, Graham, (1981) "*The Economics of Small Firms*" (Basil Blackwell Oxford).

Bannock, Graham, (1981) *The Economies of small Firms,* Basil Black Well, Oxford.

Barker, Tansu and Martin L. Gimpl, (1982) "Differentiating a Service Business Why and How", *Journal of Small Business Management,* April.

Barnes, James G. and Noonan.A.C., (1982) "Marketing Research: Some Basics for Small Business", *Journal of Small Business Management,*

July.

Barnes, James.G, G.A Pynn and A.C Noonan, (1982) "Marketing Research: Some Basics for Small Business", *Journal of Small Business Management*, July.

Barnett, William, F., (1988) "Four Steps to Forecast Total Market Demand," *Hardvard Business Review*, July / August.

Basu, S.K., (1957) *Place and problem of Small Industries,* A Mukherjee (P) Ltd. Calcutta.

Beam, Henry.H. and Thomas. A.Carey, (1988) "Could You Succeed in Small Business?" *Business Horizons,* September-October, 1989

Bedabati, Mohanty, (1986) *Economies of Small Scale Industries,* Ashish Publishing House, New Delhi.

Bennett, Peter, D., (1988) *Dictionary of Marketing terms* (American Marketing Association Chicago.

Bharti, R.K., (1978) *Industrial Estates in Developing Economies,* National publishing House, New Delhi.

Bhattacharya, Amit Madhab, (1986) *Role of Industrial Labour in Economic Development,* Criterion Publications, New Delhi.

Blattberg, C., Robert and Scott A., Neslin, (1990) *Scale Promotion Concepts, Methods and Strategies* Prettice Hall, Englewood Cliffs. NJ.

Bolton, J.E, (1990) *Small Firms, Report of the inquiry on Small Firms* Her Majesty's Stationery Office, London.

Bonoma, Thomas, V., (1983) "get More Out of Your Trade Shows,

"*Harvard Business Review,* January/February.

Bonoma, Thomas, V., (1984) "Making Your Marketing Strategy Work," *Harvard Business, Review,* March/April.

Boughton, Paul.D, (1983) "Marketing Research & Small Business: Pitfalls & Potential", *Journal of Small Business Management,* July.

Bragg, Arthur, (1986) "Will Department Stores Survive?" *Sales and Marketing Management,* April.

Brain Dumain, (1990) "Creating A New Company Culture," *Fortune,* January 15.

Brentani, Ulrike, De, (1989) "Success and Failure in New Industrial Services", *Journal of Production Innovation Management,* December.

Brown and Rick, (1987) *Marketing for the Small Firm,* Cassell Educational Ltd., London.

Carpenter, Gregory S and Kent Nakamoto, (1989) "Consumer Preferences Formation and Pioneeing Advantage", *Journal of Marketing Research,* August.

Chagnati, Rajeswara Rao and Radha Rao Chagnati, (1983) "A Profile of Profitable and not so Profitable Small Business", *Journal of Small Business Management,* July.

Cherunilam, Francis, (1986), *Business Environment,* Himalaya Publishing House, Bombay.

Cherunilam, Francis, (1986) *Industrial Economics Indian Perspective,* Himalaya Publishing House, Bomaby.

Clifford, Donald K., Jr. and Richard E., Cavanaugh, (1985), *The Winning Performance How America's High-Growth Midsize Companies* Succeed Bantam books, New York.

Dalton Dan, R. and Richard, A., Cosier, (1982), "The Four Faces of social Responsibility," *Business Horizons,* May/June.

Desai, Vasant, (1983) O*rganisation and Management of Small Scale Industries,* Himalaya Publishing House, Bombay.

Desai, Vasant, (1983) *Problems and Prospects of small Scale Industries* Himalaya Publishing House, Bombay.

Desai, Vasant, (1991) *Entrepreneurial Development,* Vol.II, Himalaya Publishing House, Bombay

Deshpande, Rohit and Frederick E. Webster, Jr, (1989) "Organizational Culture Mark Down the Research Agenda", *Journal of Marketing,* January.

Deshpande, Rohit, John U. Farley and Frederick E. Webster, (1993) "Corporate culture, Customer orientation and Innovativeness in Japanese Firm: A Quadrad Analysis", *Journal of Marketing,* January.

Development Commissioner, (1982) *Report on census of Small Scale Industry Units, Vol I&II and Report on the second, All-India census of Small Scale Industrial Units for All India* and *Kerala,* August.

Dewett, single and Verman; *Indian Economics,* S. Chand and Co. New New Delhi.

Dhalokia, Bakul H., (1989) "Industrial Sickness in India: Need for

Comprehensive Identification Criteria" (*Vikalpa* Vol.14 No.2 April-June)

Dhar P.N., (1961) *Small Scale Industries in Delhi: A Study in Investment Out put and Employment Aspect,* Asia Publishing House, Bombay.

Dhar, P.N. and Lydall, H.F., (1961) *The Role Small Enterprises in Indian Economic Development,* Asia Publishing House, Bombay.

Digests, (1993) "Product Life Cycle Curve in Small Business", *Sendoc,* March.

Dixit, Birendra Kumar. (1988) "Small Scale Industries-Ills and Remedies", *Yojana,* March 1-15.

Dowell, Roy.D, Gary L. Frazier and Ronald R. Stephenson, (1982) "Using Industry Data in Small Business Decision Making: Potential Problems", *Journal of Small Business Management,* April p-46.

Drucker, Peter.F, (1973) *Management Tasks, Responsibilities, Practices* (Harper & Row, New York).

Editorial, (1990) "Consolidating Small Sector", *Southern Economist,* June 15

Edwin, F.Leonard Berry Lefkowith and Terry Clark, (1988) "In services, What's in a Name?" *Harvard Business Review,* September/October.

Ellis, James E. and Brain Bremer, (1989) "Will the Big Markdown Get the Big Store Moving Again?" *Business Week,* March 13.

Exter, Thomas.G,(1987) "Where the Money Is", *American Demographics,* March.

Fahri, Karakaya and Michael J.Stahl, (1989) "Barriers to Entry and

Market Entry decisions in consumer and Industrial Goods in Market", *Journal of Marketing*, April.

Felton, Arthur P., (1959) "Making the Marketing Concept Work", *Harvard Business Review*, July-August.

Festinger, Leon, (1957) *A Theory of Congnitive Dissonance* University Press, Stanford.

Fullerton, Ronald A., (1988) "How modern is modern Marketing? Marketing Evolution and the Myth of the Production Era", *Journal of Marketing,* January

Ganguly, Nirmal, (1988) "Small Scale Sector: problems and prospects", *Yojana*, March 1-15

Gatignon Hubert and Thomas S.Robertson, (1985) "A Propositional Inventory for New Diffusion Research", *Journal of Consumer Research*, March.

Gatignon, Hable and Jean-Marc Xuereb, (1997) "Strategic Orientation of the Firm and New Product Performance", *Jounal of Marketing Research*, February.

Gatignon, Hubert and Jean-Marc Xuereb, (1997) "Strategic Orientation of the Firm and New Product Performance", *Journal of Marketing Research*, February.

Georgoff, David M. and Robert G.Murdick, (1986) "Manager's Guide to Forecasting", *Harvard Business Review*, January-February.

Gerlad, Zaltman and Philip Kotler, (1971) "Social Marketing: An Approach to Planned Social Change", *Journal of Marketing*, July.

German, Myna, Donald A Donahue, and Steven P. Schnaars, (1991) "A

chink in Marketing's Armor: Strategy above Tactics", *Business Horizons*, March-April..

Gilmore, James H. and Joseph B. Pine, (1997) The Four Faces of mass customization, *Harward Business Review,* January-February.

Gravin, David, A., (1987) "Compensating on Eight Dimensions of Quality", *Harvard Business Review*, November-December.

Gray, Daniel H., (1986) "Uses and Misuses of Strategic Planning", *Harvard Business Review*, January-February.

Green, Mark.J., (1972) *The closed enterprise system* Bantam Books, New York,

Griffin, Abbie and John R.Hauser, (1993) "The Voice of the Customer", *Marketing Science*, 12(1).

Gupta, M.C., (1987) *Enterprenerurship in Small Scale Industries* Anmol Publications New Delhi.

Hamermesh, Richard G., (1986) "Marketing Planning strategic", *Harward Business Review*, July-August.

Hemnes, S. Thomas M., (1985) "How Can You Find a Safe Trademark?" *Harvard Business Review*, March-April.

Houston, Frankilin.S, (1986) "The Marketing Concept: What it is and what it is Not; *Journal of Marketing*, april, pp-87.

Houston, Franklin.S., and Jule B. Gassenheimer, (1987) Marketing and Exchange," *Journal of Marketing*, October.

Indian Express, (1989) "Sick Unit's Rehabilitation Short of Target", *Indian Express*, June 25, 1989, Cochin.

*Indian Express*, (1992) April 20, Kochi.

*Indian Express*, (1992) December, Kochi.

*Indian Express*, (1997) February, Kochi.

Indian Express, (1998) March, Kochi,

Iyer, S. Krishna, (1975) *Keralathinde Sambadvyavasta*, (Malayalam), Kerala Bhasha Institute, Trivandrum.

Jackson, Bund Barbara, (1985) "Build Customer Relationships That Last", *Harvard Buisness Review*, November-December.

Jain, O.P., *Small Industry Exports*, S.Chand and Company, New Delhi.

Jain, Vijay. K., (1988) *Marketing Management for Small Units,* Management Publishing Co., Dehra Dun

Johnson, Wesley J. and Thomas V Bonoma, (1981) "Purchase Process for Capital Equipment and Services", *Industrial Marketing Management*, Vol. 10.

Joshi, N.C, (1956) Cottage and Small Scale *Industries in India*, Sumeja Book Centre, New Delhi.

Karunakaran, T.P., (1991) "Small Scale Industry - A Vital Sector in the Indian Economy", *Indian Express* Special Suppliment, July.

Keegan, Warren, J., (1989) *Global Marketing Management*, Prentice Hall, Englewood cliffs. NJ.

Kerala State Planning Board, (1992) *Economic Review*, Government of Kerala, Trivandrum.

Khan, M.Arshad and V.Manopichetwattana, (1989) "Innovative and Non

Innovative Small Firms: Types and Characteristics", *Management Science,* Vol.35, May.

Khan, R.R., (1979) *Management of Small Scale Industries*, S.Chand and Co. New Delhi.

Kirk, John. E and Kathleen Noonan, (1982) "Key Factors in Strategic Planning", *Journal of small Business Management*, July 19.

Kohli, Ajay, (1989) Determinants of Influence in Organisational Buying: A Contigency Approach", *Journal of Marketing,* July.

Kohli, Ajay.K and Bernard J.Jaworski, (1990) "Market Orientation: The Construct, Research Propositions and Managerial Implications", *Journal of Marketing,* April.

Koppardekhar, D.Sarad, (1974) *Small Scale Industries* Rane Parkasan, Pune.

Kotey and Meredith, (1997) "Relationships among Owner/Manager Personal Values, Business strategies, and Enterprise Performance", *Journal of Small Business Management*, April p-42.

Kotler, Philip, (1988) *Marketing Management Analysis, Planning Implimentation and Control,* Prentice Hall of India Pvt. Ltd., New Delhi.

Kotler, Philip, (1991) *Marketing Management: Analysis, Planning, Implementation, and Control,* (7th Ed.) Prentic Hall, Englewood Cliffs.

Kotler, Philip, (1991) *Principles of Marketing,* Prentice Hall of India Pvt. Ltd., New Delhi.

Kuchhal, S.C., (1970) *The Industrial Economy of India* Chaitanya Publishing House, Allhabad.

Kulkarni Pradhan and Patil, (1980) *Modern Marketing Research*, Himalaya Publishing House, Bombay.

Kumar, Ambili, *Working of Small Scale Industries in Kerala with reference to Trivandrum District,* Ph.D Thesis, University of Kerala (unpublished)

LaBarbara, Priscilla A. and David Mazursky, (1983) "A Longitudinal Assessment of Consumer Satisfaction/Dissatisfaction; The Dynamic Aspect of the Gognitive Process", *Journal of Marketing Resarch*, November.

Lakdawala, D.T and J.C. Sandesara, (1960) *Small Industry in a Big City: A survey in Bombay,* University of Bombay, Bombay.

Lakdawala, D.T and Sandesara, J.C., (1960) *Small Scale Industry in a Big* City: A Survey in Bombay, University Press Bombay.

Lasser, T.K., (1955) *How to run a Small Business*? Mc Graw Hill, New York.

Lawremce, Steve, (1985) "The Green in Blue-Collar Retailing", *Fortune*, May 27.

Lekhi, R.K., (1988) *Planning in India*, Crown Publications, New Delhi.

Levitt, Theodore,(1981) "Marketing Intangible Products and Product Intagibles", *Harvard Business Review*, May-June.

Levitt, Theodre, (1991) "Marketing intangible products and product intangibles", *Harvard Business Review,* May-June.

Lilien, Gray.L and Philip Kotler, (1983) *Marketing Decision making: A*

*Model Building Approach* Harper & Row, New York.

Macmillan, Ian C. and Gunther Rita. M.C Grath, Rita, (1997) "Discovering New Points of Differentiation", *Harvard Business Review*, July-August.

Mahajan, V.S., (1974) *Planning, Development and Economic Policy in India*; Kalyani Publishers, Delhi.

Mathrubhumi, (1991) August 15, Kochi.

Mathur, S.P., (1979) *Economics of Small Scale Industries*, Sundeep Prakshan, Delhi.

McCarthy, E.Jerome, (1960) *Basic Marketing. A Managerial Approach*, IL: Irwin, Homewood.

McDonald, Malcolm H.B., (1991) *The Marketing Audit: Translating Marketing Theory into practice,* Butter worth Heinemann, Oxford.

McNmara, Carlton.P., (1972) "The Present Status of the Marketing Concept", *Jounal of Markeitng*, January.

Mehta, Anil, (1987) *Organisation and Working of Industrial Estates* Deep & Deep publications, New Delhi.

Meyer, M.H. and E.B.Roberts, (1986) New Product Strategy in Small Technology-Based Firms: A Pilot Study, *Management Science* 32

Mishra, R.P, (1985) *Rural Industrialisation in Third-World Countries*, Sterling publishers Pvt. Ltd., New Delhi.

Mitchell, Reger. H and Vincent A., Mabert, (1988) "*robolics* for smaller manufacturers: Myths And Realities", *Business Horizons,* July-August.

Moore, Thomas, (1988) "Would You Buy a Car From This Man?" *Fortune,* April 11.

Moriarty, Rowland T and Gordon S.Swartz, (1989) "Automation to Boost Sales and Marketing", Harward Business Review, January-February.

Moyer, Reed, (1982) "Strategic Planning for the Small Firm", *Journal of Small Business Management*, July.

Murphy, Patrick E., and Ben M. Enis, (1986) "Classifying Products Strategically," *Journal of Marketing*, July.

Nagle, Thomas T., "Pricing as Creative Marketing," *Business Horizons,* July - August (1983).

Nair, K. Ramachandran., (1973) *Industrial Relations in Kerala*, New Delhi; Sterling Publishers Pvt. Ltd., New Delhi.

Nanjundan, S., Robinon, H.E. et al., (1962) *Economic Research for Small Industry Development Illustrated by India's Experience*, Asia Publishing House., Bombay.

Narver, John.C and Stanley, F.Slater, (1990) "The Effect of Market Orientation on Business Profitability", *Journal of Marketing*, October.

Neelamegham, A. (ed) (1978) *Marketing Management and the Indian Economy* Prominent Printers, New Delhi.

Nussbaum, Bruce, (1988) "Smart Design Quality Is the New Style," Business Week, April 11.

Nutly, Peter, (1984) "How Personal Computers Change Managers Lives",

*Fortune* September 3.

O R G Survey, (1990) "A Rural Boom" *Advertising and Marketing.* June,7. New Delhi.

Olson, Philip D, and Donald Bokor, (1995) "Strategy Process- Content Interaction: Effects on Growth Performance in small start-up Firms", *Journal of small Business Management,* April.

Oomman, M.A., (1967) small Scale Industries in Kerala : *A case Study of the Role of Small Industries in Economic Growth,* Ph.D Thesis University of Kerala. (unpublished)

Padolecchia, Siro. P: (1979) *Marketing in the Developing World,* Vikas publishing House Pvt. Ltd., New Delhi.

Parasuraman, A, Leonard L, Berry, and Valarie, A.Zeithaml, (11983) "Service Firms Need More Marketing," *Business Horizons,* November-December.

Pareek, H.S (1960) *Financing of Small Scale Industries in a Developing Economy* National Publishing HOuse, Delhi.

Patel, V.G., (1983) *Gujarat Economy-Problems and Prospects,* Allied Publihers, New-Delhi.

Pearce, John. A., Bruce. L., Chapmanand Fred, R David, (1982) "Enviornmental scanning for small and Growing Firms". (*Journal of Small Business Management,* July).

Perry, Martin, (1986) *Small Factories and Economic Development* (Gower Publishing Company, 1986, Hanks England).

Peters Thomas.J and Waterman, Robert.H. Jr, (1982) *In search of Excellence Lessons from America's Best-Run Companies,* Harper &

Row, Publishers, New York.

Peters, Thomas J *Thriving on Chaos*, (1987) Alfres A.Knopf, New York.

Peters, Tom and Perry Pascarella, 1984 "Searching for Excellence: The Winners Deliver on Value," *Industry Week*, April 16.

Peters, TShomas J and Nancy Austin, (1985) *A Passion for Excellence: The Leadership Difference* Random House, New York.

Peterson, R.D., (1982) "The Survior Principle and Small-Firm Decisions", *Journal of Small Business Management,* October.

Pillai, V.R., (1986) *A Report on the role of Small Scale Industries in the Seventh Five Year Plan*, State Planning Board, Trivandrum.

Porter, M.E., (1980) *Competitive Strategy: Techniques for Analysing Industries and Competitors,* Free Press, New York.

Porter, Michael, (1985) *Competitive Advantage* Free Press, New York.

Porter,M.E (1991) "Towards a Dynamic Theory of Strategy", Strategie *Management Journal,* 12.

Prasad, C.S., (1991) "Developing Small Enterprises in Italy Relative to India", *Yojana*, March 1-15 .

Preston, L.E., (1977) The world of small business, A suggested typology, *American Journal of Small Business.* 1(4) .

Raghunathan, N., (1988) "Small scale sector has a long way to go", Yojana, March .

Rajagopalan, D: (1979) *Small Scale Soap Making Units in Pondicherry State.* M.Phil Dissertation, University of Madras, (unpublished).

Rajan, Ravi. (1990) "Leading the pack", *Advertising and Marketing*, August.

Ramakrishnan, P: (1975) *New Entrepreneurshyip in small scale Industry in Delhi*, Economic and Scientific Research Foundation, Delhi.

Ramana, A.V and Papaiah, R., (1998) "Nuances of Entrepreneurship Development", *Indian Management*, February

Ramaswamy, Venkatram, Gatignon Hubert and David J Reibstein, (1994) "Competitive Marketing Behaviour in Industrial Markets", *Journal of Marketing*, April.

Rangarajan, C: Khurana, Rakesh; *et al*: (1981) *Strategy for Industrial Development in the `80s,*? Oxford & IBH publishing co., New Delhi.

Rao, Madhav. V: (1962) *Problems of Development of small scale Enterprises as Ancillary to Large Concerns*, Institute of Economic Growth, Delhi.

Rao, R.V: (1966) *Cottage and Small Scale Industries and Planned Economy*; Sterling Publishers Pvt. Ltd., Delhi.

Rao, Uma Maheshwari: (1963) *Small Scale Industries Some Economic Aspects*, Popular Prakashan Bombay.

Rathinam, S. (19811) *A Study of the Financial problems of Small Scale Industries in Namakkal*, M.phil Dissertation, UNiversity of Madras, (unpublished)

Reed Moyer, "strategie Planning for the Small Firm" *Journal of Small Business Management*, July 1982,

Reeder, Robert, R. Edward G. Brierty, and Betty H.Reeder, (1987) *Industrial Marketing: Analysis, Planning, and Control* Englewood Cliffs, NJ: Prentice Hall.

Reichard, Clifton, J. (1985) "Industrial Selling: Beyond Price and Persistence," *Hardvard Business Review*, March-April.

Ricklefs, R., (1991) "Regional Variation in Small Firms Success Is Significant Factor Behind Growth", The Wall Street Journal, July 12.

Robinson, R.B and J.A Pearce, (1988) "Planned patterns of strategic behaviour and their Relationship to Business-Unit Performance", *Strategic Management Journal*, 9.

Roller, Lars-Henrik and Mihkel M.Tombak, (1993) "Competition and Investment in Flexible Technologies", *Management Science,* January.

Roman, Ernin, (1988) *Integrated Direct Marketing* McGraw-Hill, New York.

Ryan, F.A., (1963) *Efficiency for Small Manufacturers*, Asia Publishing House., Bombay.

Sadhak, H: (1986) *Industrial Development in Backward Regions in India*, Chugh publications, Allahabad.

Salmon, Walter J., and Karen A Cmar, (1987)_ "Private Labels are Back in Fashion," *Harvard Business Review*, May-June.

Sandesara, J.C., (1993) "Modern Small Industry, 1972 and 1987-88 Aspects of Growth and Structural Change" *Economic and Political Weekly* February, 6.

Schiffman, G.Leon and Leslie Lazar Kanuk, (1991) *Consumer Behaviour*, Englewood Cliffs, NJ: Prentice Hall.

Schiller, (986) "Thanks to the Checkout Scanner, Marketting Is Losing

Some of Its Mystery", "*Business Week*, August 28.

Schultz, Donald, E. Dennis Martin and William P.Brown, (1984) *Strategic Advertising Campaigns*. Crain books, Chicago.

Schwartz, David, J., (1981) *Marketing Today: A Basic Approach*, Harcourt Brace Jovanovich, New York.

Seetharaman, Sridhar, (1992) "Innovative and Non innovative small firms in Kerala", *Productivity*, April-June.

Seth, M.L: (1967) *Theory and Practice of Economic Planning*, S. Chand & Co., New Delhi.

Shapiro, Benson P. (1985) "Rejuvenating the Marketing Mix", *Harvard Business Review* September-October.

Shashibala, (1984) *Management of Small Scale Industries*, publications, New Delhi.

Sheth, Jagadish, N., Robert F. Williams, and Richard M Hill, 1983 "Government and Business Buying; How Similar Are They?" *Journal of Purchasing and Materials Management*, Winter.

Shetty, M.C: (1963) *Small Scale and House hold Industries in A Developing Economy*, Asia Publishing House., Bombay.

Shirokov, G.K. (1980) *Industrialisation of India*, People's publishing House, New Delhi.

Singh, Nau. Nihal, (1970) *Scientific Management in small Scale Industries*, Lalvani Publishing House, Bombay.

Singh, B.P. and Chhabara, T.N. (1985) *Modern Business Organisation*, Kitab Mahal, New Delhi.

Singh, Baljit : (1961) *The Economies of Small Scale Industries: A Case study of Small Scale Industrial Establishments of Moradabad,* Asia publishing House., Bombay.

Singh, Nau Nihal, (1970) *Scientific Management of small Scale Indistries* Lalvani publishing House, Bombay.

Siropolis, Nicholas.C, (1982) *Small Business Management,* Houghton Mifflin Company, London.

Slater, Stanley F. and Narver, John C., (1994) "Does Competitive Enviornment Moderate the Market Orientation Performance Relationship", *Journal of Marketing,* January.

Small Business News and Views (1991) Entrepreneurship and Competitive Strategy for the 1990's. *Journal of small business management,*

Sonfield and Lussier, (1997) "The Entrepreneurial Strategy Matrix: A Model for New and Ongoing Ventures", *Business Horizons,* May-June.

Srinivasan.G, "It's crucial for development" *Yojana,* March 1-15, 1988.

Staley, Eugene and Richard Morse, (1965) *Modern Small Industry for Development Countries,* Mc Graw Hill Book Company, Tokyo.

Stanton, Willaim.J. and Charles, Futrell, (1987) *Fundamentals of Marketing,* Mcgraw Hill International, Singapore.

Steinhoff, Dan, (1978) *Small Buisness Management Fundamentals,* McGraw Hill, Tokyo.

Stepanek, Joseph, E (1960) *Small Industry Advisory Services An*

*International Study*, Glence III; The Free press.

Stern, Louis W, and Thomas L.Eovaldi, (1985) *Legal Aspects of Marketing Strategy* NJ: Prentice Hall.,Englewood Cliffs.

Strang, Roger, A., (1976) "Sales Promotion-Fast Growth, Faulty Management", *Harvard Business Review*, July-August.

Subrahmanian.K.K and Mohanan P Pillai, (1994) *Modern Small Scale Industry in Kerala - A Review of Structural Change and Growth Performance,* Centre for Development Studies, Trivandrum.

Subramanian, R. Shivakumar, K.*et al.,* (1975) *Entrepreneurship in small Scale Industries in Madurai City and its Environs*, Sangam publishers, Madrs.

Suss, Warren, H. (1984) "How to Sell to Uncle Sam", *Harvard Business Review*, November-December.

Tarun, T.N.S. (1986) *Small Scale Industries and India's Economic Development*, Deep and Deep publications, New Delhi.

Taub and Taub (1989) *Enterpreneurship in India's Small Scale Industries*, Mauoler Publications, New Delhi.

Teece, Pisano and Shuen, (1997) "Dynamic Capabilities and Strategie Management" *Journal of Small Business Management, April.*

Tellis, Gerald, J. (1988) "Advertising Exposure, Loyalty, and Brand Purchase. A Two-Stage Model of Choice", *Journal of Marketing Research*, May.

Terpstra, David. E Philip D.Olson, (1993) "Entrepreneurial Start- up and Grwoth: A Classification of Problems", *Entrepreneurship Theory and*

*Practice,* Spring.

Terry, George.,(1964) *Principles of Management*, Irwin Inc., Homewood.

*The Hindu*, April 12, Madras.

Townsend, Bickley, (1985) "Phychographic Glitter and Gold", *American Demographics*, November.

Tull, Donald S. and Del I.Hawkins, (1987) *Marketing Research: Measurement and Method*, Macmillan, New York.

Tully, Shawn, (989) "What the `Greens' Means for Business", *Fortune*, October 23.

Tulsi, S.K.,1980) Incentives for Small Scale Industries *An Evaluation* Delhi; Kunj publishing House.

Uppal, J.S., (1984) *Indian Economic Planning*, Macmillan Indian Limited, New Delhi.

Vepa, Ram K., (1971) *Small Industry in the Seventies*, Vikas publications, Delhi.

Vepa, Ram K., (1983) *Small Industry : The Challenges of the Eighties*; Vikas publishing House Pvt. Ltd., New Delhi.

Vesey, Joseph.T., (1991) "The New Competitors Think in Terms of 'Speed-to-Market', " *Sam Advanced Management Journal* Autumn.

Webster, Frederick, E. Jr., and Yoram Wind, (1972) *Organisational Buying Behaviour* Prentice Hal., Englewood Cliffs.

Webster, Frederick.E.Jr., (1988) "Rediscovering the Marketing Concept", *Business Horizons*, May-June.

Whitehill, Martin, (1997) "Knowledge-based strategy to Deliver Sustained Competitive Advantage", *Long Rang Planning, August.*

Wright, P.Kroll and M.B. Kedia, (1990) "Strategie Profiles, Market share and Business Performance", *International Management,* May- June.

## Table 5.45
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Metal products

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 19 | 6 | 60 | 18 | 60 | 18 | 72 | 18 | 76 | 8 | 53.33 | 69 | 65.71 |
| Moderate | 6 | 5 | 50 | 16 | 53.33 | 17 | 68 | 14 | 56 | 7 | 46.67 | 59 | 56.19 |
| Low | 2 | 4 | 40 | 8 | 26.67 | 11 | 44 | 9 | 36 | 6 | 40 | 38 | 36.19 |

## Table 5.46
## Long Term Focus : Mean and percentage Score of High, Moderate and Low Performers - Machinery & Parts Except electrical

| Performance Class | No.of Units | Formulation of Long term objectives | | Logical selection of the line of business | | Logical selection of the market | | Logical selection of location | | Logical selection of technology/ machinery | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Score | % | Score | % | Score | % | Score | % | Score | % | Score | % |
| High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Moderate | 3 | 6 | 60 | 15 | 50 | 18 | 72 | 15 | 60 | 8 | 53.33 | 62 | 59.05 |
| Low | 6 | 3 | 30 | 8 | 26.67 | 9 | 36 | 7 | 28 | 4 | 26.67 | 31 | 29.52 |