

Distribution Policies of S.S.I in Varanasi District - A Case Study

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ABSTRACT

Small Scale Industries (SSI) acts as a catalyst in the socio –economic development of the country as it facilitates in tapping resources, reducing regional disparities, generating employment opportunities and increasing exports by fostering entrepreneurship. Crucial to a good marketing policy is a good distribution policy as due to global changes in business environment it becomes imperative for the economic organization to devise a channel strategy which gains them access, coverage representation in the market place. In the present study, an endeavour has been made to determine the distribution policies practiced by the entrepreneurs of Small Scale Industries located in Varanasi District, as the routes or paths through which goods move from the producer to the ultimate consumers differ from one industry to another.

Keywords

Logistics, Small Scale Industries, Entrepreneurs.

I. INTRODUCTION

Out of the four major elements of marketing mix distribution (or “Place”) occupies a strategic place as it is the fourth traditional element of the marketing mix, the other three being Product, Price and Promotion As a marketing mix element distribution policy means strategic decisions assembly concerning channels management, physical distribution, and relationship between business partners, manufacturers wholesalers, retailers and sales representative. In other words every firm has to decide, coordinate and integrate with the major tasks of the channel members.

Sample size

There are eighteen prominent Small Scale industries located in Varanasi district. At the beginning of the study , the researchers has taken a sample of 225 units belonging to different categories, but in due course of survey, it was observed that a host of units were not willing to give satisfactory responses to

our queries and therefore the researcher has to satisfy with 99 units which could response to our queries satisfactorily.

Statement of the Problem

The entrepreneurs following marketing strategies calls for urgent ramification as most of the Small Scale Industries is on the verge of getting closed. As the world, is now thrown open to the Varanasi exporters to sell their products their entrepreneurs want to concentrate on their marketing strategies, branding investment factors and market selection whereby mode of distribution also plays an indispensable role in getting hold a greater chunk of market share.

Objectives of the Study

The present research endeavor was mastermind with the following objectives.

- To analyze the distribution policies and practices being followed by the entrepreneurs located in Varanasi District.
- To offer suitable suggestions for removing the lacunas inherent in their functioning.

II. METHODS AND MATERIAL

The study is based on the primary data gathered through a well-structured questionnaire. The Primary data were supplemented with the secondary data tapped from DIC, records, government statistical information, published and unpublished reports, and newspaper articles and from the trade associations etc. The facilities of Central Government publication and various journals with relevant information were utilized in a fruitful way. Two hundred and twenty five entrepreneurs were selected as sample respondents for the study on the basis of random sampling and for analysing the objective of the study percentage analysis and two way tables were used.

Findings and Analysis

Table 1: Strategies adopted by the entrepreneurs regarding the number of intermediaries

Name of the Unit	Intensive Distribution	Exclusive Distribution	Selective Distribution	Total
1 Food Products	1(25)	1(25)	2(50)	4
2 Tobacco				0
3 Cotton Textiles	6(35.29)	4(23.52)	7(41.17)	17
4. Wool silk & Synthetic Fiber	11(28.20)	17(43.58)	11(28.20)	39
5. Jute & Hemp			1(100)	1
6. Hosiery & Garments	2(50)		2(50)	4
7. Wood Products	2(40)	1(20)	2(40)	5
8. Paper & Printing	1(100)			1
9. Leather Products			1(100)	1
10. Rubber & Plastic Products		1(100)		1
11. Chemical & Chemical Products	2(50)	1(25)	1(25)	4
12. Non-Metallic Products			1(100)	1
13. Basic Metal Products	1(50)		1(50)	2
14. Metal Industries	1(33.33)	1(33.33)	1(33.33)	3
15. Machinery & Parts except Electricals	2(100)			2
16. Electrical Machinery & Apparatus	1(50)	1(50)		2
17. Transport Equipment & Parts			1(100)	1
18. Miscellaneous Manufacturing		1(50)	1(50)	2
19. Repair & Service Industries	5(55.55)	2(22.22)	2(22.22)	9
Total	33(33.33)	32(32.32)	34(34.34)	99

Source: Computed from Primary Data

Figures in parenthesis indicate percentages

With regard to food products 2(50) half of the entrepreneurs deploy selected distribution channel members whereby some middlemen are selected, while 1(25) use exclusive distribution for limiting distribution to a single outlet ,also same proportion of entrepreneurs go in for intensive distribution whereby products are made available through various outlets. On the contrary, in case of cotton textiles 7(41.17) employ selected middlemen for distributing their products where 6(35.29) make use of different outlets for capturing a large market share. With regard to wool, silk and synthetic fiber 17(43.52) entrepreneurs go in for exclusive distribution for making available their products through various outlets as against 11(28.20) entrepreneurs warrants for only few selected distribution channels. Almost every entrepreneur engaged in jute and hemp, leather non-metallic products transport equipment and parts go in for taking aid of selective distribution methods for providing a outlet to their products .On the contrary half of the entrepreneurs engaged in hosiery and garments 2(50) use intensive distribution and rest of them resort for selective outlets. In case of wood products 2(40) entrepreneurs use intensive and selective distribution respectively whereas 1(20) dispose off their products through various outlets. Entrepreneurs 1(100) engaged in paper and printing, machinery and parts except electrical try to sell their products through various intermediaries for saturating the market .With regard to rubber and plastic products all of the entrepreneurs 1(100) use exclusive mode which involves single outlet for their high priced goods. If we talk about entrepreneurs manufacturing chemical and chemical products half of the entrepreneurs practice intensive method for distributing their products, whereas 1(25) pursue exclusive and selective method for catering the needs of different target customers. With regard to basic metal products half of the entrepreneurs 1(50) try to use intensive and remaining 1(50)

selective method for tailoring the needs of different market groups. While equal proportion of entrepreneurs engaged in metal industries use 1(33.33.) Intensive, exclusive and selective mode for creating an outlet to let out their offerings. With respect to electrical machinery and apparatus half of them i.e. 1(50) use intensive while 1(50) employ various intermediaries for selling their products .If we look at entrepreneurs manufacturing miscellaneous products half of them 1(50) use selective and exclusive channel of distribution for catering the needs of different customer groups .While repair and services industries 5(55.55) employ a large number of intermediaries for saturating the market , 2(22.22) use exclusive and selective distribution methods for tailoring the varying needs and requirements of customers.

Table 2: Factors considered by the entrepreneurs while designing distribution channels

Name of the Unit	Promotions Support of the Product	Controllability	Financial Position	Cost of Using Middlemen	The market potential in that area	Total
1. Food Products		1(25)	2(50)	1(25)		4
2. Tobacco						0
3. Cotton Textiles	2(11.76)	4(23.52)	7(41.17)	3(17.64)	1(5.88)	17
4. Wool silk & Synthetic Fibre	5(12.82)	6(15.38)	11(28.20)	15(38.46)	2(5.12)	39
5. Jute & Hemp				1(100)		1
6. Hosiery & Garments		1(25)	2(50)	1(25)		4
7. Wood Products	1(20)		1(20)	3(60)		5
8. Paper & Printing			1(100)			1
9. Leather Product				1(100)		1
10. Rubber & Plastic Products				1(100)		1
11. Chemical & Chemical Products	1(25)	1(25)	2(50)			4
12. Non-Metallic Products			1(100)			1
13. Basic Metal Products		1(50)		1(50)		2
14. Metal Industries	1(33.33)		1(33.33)	1(33.33)		3
15. Machinery & Parts except Electrical		1(50)	1(50)			2
16. Electrical Machinery & Apparatus		1(50)		1(50)		2
17. Transport Equipment & Parts				1(100)		1
18. Miscellaneous Manufacturing		1(33.33)	1(33.33)			2
19. Repair & Service Industries	2(22.22)	3(33.33)	2(22.22)	1(11.11)	1(11.11)	9
Total	12(12.12)	20(20.20)	32(32.32)	31(31.31)	4(4.04)	99

Source: Computed from Primary Data Figures in parenthesis indicate percentages

Almost half of the entrepreneurs engaged in food products take into account financial resources at the disposal and rest of them controllability and cost of hiring the middlemen. With regard to cotton textiles 7(4.17) entrepreneurs keep in view financial position, 4(23.52) controllability, 3(17.64) cost of hiring the middlemen and 1(5.88) market potential in that area .With respect to wool ,silk and synthetic fiber 15(38.46) entrepreneur consider cost of hiring the middlemen 11(28.20) through financial position 6(15.38) controllability 5(12.82) promotional support of the product while merely 2(5.12) consider the market potential in that area. All the entrepreneurs engaged in jute and hemp 1(100) leather, rubber and plastic products 1(100), transport equipment and parts 1(100) consider cost of hiring the middlemen while deciding the distribution channel. With regard to chemical and chemical products, half of the entrepreneur 2(50) keep in view their financial position while 1(25) promotional support of the product and controllability .Half of the entrepreneurs engaged in basic metal products keep in mind controllability and the cost of hiring middlemen and same strategy is being followed by entrepreneurs in machinery and parts except electrical keep in view controllability and financial personnel at their disposal while selecting the middlemen .With regard to repair and service industries 2(22.22) entrepreneurs keep in mind promotional entrepreneurs who consider controllability and merely 1(11.11) consider cost of using middlemen and market potential of the produced manufactured in that area disposal of their products at a reasonable amount of profits as the ultimate goal of their channel distribution.

Table 3: Entrepreneurs selling their products

Name of the Unit	The Industries	The wholesalers	The Retailers /Exclusive dealers	The Consumers	Total
1. Food Products		2(50)	1(25)	1(25)	4
2. Tobacco					0
3. Cotton Textiles	3(17.64)	6(35.29)	4(23.52)	4(23.52)	17
4. Wool silk & Synthetic Fibre	3(76.9)	14(35.89)	16(41.02)	6(15.38)	39
5. Jute & Hemp		1(100)			1
6. Hosiery & Garments		1(25)	3(75)		4
7. Wood Products	1(20)	2(40)	1(20)	1(20)	5
8. Paper & Printing		1(100)			1
9. Leather Products		1(100)			1
10. Rubber & Plastic Products			1(100)		1
11. Chemical & Chemical Products		2(50)	1(25)	1(25)	4
12. Non-Metallic Products		1(100)			1
13. Basic Metal Products		1(100)	1(100)		2
14. Metal Industries		1(33.33)	1(33.33)	1(33.33)	3
15. Machinery & Parts except Electrical		1(50)	1(50)		2
16. Electrical Machinery & Apparatus		2(100)			2
17. Transport Equipment & Parts		1(100)			1
18. Miscellaneous Manufacturing			2(100)		2
19. Repair & Service Industries	1(11.11)	4(44.44)	2(22.22)	2(22.22)	9
Total	8(8.08)	41(41.41)	34(34.34)	16(16.16)	99

Source: Computed from Primary Data
 Figures in parenthesis indicate percentages

An analysis of the table shows that entrepreneurs engaged in manufacturing food products consider its size and financial resources at their disposal while selecting a particular channel whereas 1(25) consider and strength of their potential competitors and nature of product while selecting the channel. With regard to cotton textiles 8(47.05) consider the strength of their competitors while 3(17.64) nature of products, 4(23.52) cost involved in them.. With regard to wool, silk and synthetic fiber 13(33.33) entrepreneurs consider the strength of their potential competitors 13(33.33), and equal proportion of them take into account their financial resources, while 10(27.77) keep in mind cost and rest 3(7.69) nature of their products. All the entrepreneurs engaged in jute and hemp 1(100), leather products 1(100), non-metallic products 1(100), machinery and parts except electrical 2(100), transport equipment and parts 1(100) keep in view company's size and financial resources. Half of the entrepreneurs engaged in hosiery and garments 2(50) consider strength of potential competitors while 1(25) cost and company's financial resources respectively. On the contrary entrepreneurs engaged in wood products 2(40) consider cost factor, 1(20) keep in mind strength of potential competitors, their financial resources and nature of the goods manufactured whereby delicate wooden products should be handled properly as compared to others. All the entrepreneurs of paper

and printing 1(100), rubber and plastic products 1(100), take into account strength of their potential rivals. With respect to chemical and chemical products 2(50) entrepreneurs take into account the financial resources at their disposal whereas 1(25) keep in mind cost and nature of products. Half of the entrepreneurs engaged in basic metal products 1(50) consider strength of their potential competitors and financial resources at hand and same strategy is being followed by the units of electrical machinery and apparatus. With regard to repair and service industries while 2(22.22) strengthen of potential competitors, 3(33.33) cost consideration besides their financial resources, 1(11.11) take into account nature of products for selecting a particular channel of distribution.

Table 4: Factors considered by the entrepreneurs while selecting the channels

Name of the Unit	Local /District	Regional	State	National	International	Total
1. Food Products			4(100)			4
2. Tobacco						0
3. Cotton Textiles	4(23.52)	4(23.52)	4(23.52)	4(23.52)	1(5.88)	17
4. Wool silk & Synthetic Fibre	6(15.38)	16(41.02)	10(25.64)	5(12.82)	2(5.12)	39
5. Jute & Hemp			1(100)			1
6. Hosiery & Garments	2(50)	2(50)				4
7. Wood Products		2(40)	1(20)	2(40)		5
8. Paper & Printing		1(100)				1
9. Leather Products	1(100)					1
10. Rubber & Plastic Products	1(100)					1
11. Chemical & Chemical Products		2(50)	1(25)	1(25)		4
12. Non-Metallic Products			1(100)			1
13. Basic Metal Products						2
14. Metal Industries	1(33.33)	1(33.33)		1(33.33)		3
15. Machinery & Parts except Electrical		1(50)	1(50)			2
16. Electrical Machinery & Apparatus			2(100)			2
17. Transport Equipment & Parts		1(100)				1
18. Miscellaneous Manufacturing		2(100)				2
19. Repair & Service Industries	2(22.22)	4(44.44)	2(22.22)		1(11.11)	9
Total	17(17.17)	36(36.36)	23(23.23)	13(13.13)	4(4.04)	99

Source: Computed from Primary Data
 Figures in parenthesis indicate percentages
 An analysis of the table shows that entrepreneurs engaged in manufacturing food products consider its size and financial resources at their disposal while selecting a particular channel whereas 1(25) consider and strength of their potential competitors and nature of product while selecting the channel. With regard to cotton textiles 8(47.05) consider the strength of their competitors while 3(17.64) nature of products, 4(23.52) cost involved in them.. With regard to wool, silk and synthetic fiber 13(33.33) entrepreneurs consider the strength of their potential competitors 13(33.33), and equal proportion of them take into

account their financial resources, while 10(27.77) keep in mind cost and rest 3(7.69) nature of their products .All the entrepreneurs engaged in jute and hemp 1(100), leather products 1(100), non-metallic products 1(100), machinery and parts except electrical 2(100), transport equipment and parts 1(100) keep in view company's size and financial resources. Half of the entrepreneurs engaged in hosiery and garments 2(50) consider strength of potential competitors while 1(25) cost and company's financial resources respectively. On the contrary entrepreneurs engaged in wood products 2(40) consider cost factor, 1(20) keep in mind strength of potential competitors, their financial resources and nature of the goods manufactured whereby delicate wooden products should be handled properly as properly as compared to others. All the entrepreneurs of paper and printing 1(100),rubber and plastic products 1(100) ,take into account strength of their potential rivals .With respect to chemical and chemical products 2(50) entrepreneurs take into account the financial resources at their disposal whereas 1(25) keep in mind cost and nature of products. Half of the entrepreneurs engaged in basic metal products 1(50) consider strength of their potential competitors and financial resources at hand and same strategy is being followed by the units of electrical machinery and apparatus. With regard to repair and service industries while 2(22.22) strengthen of potential competitors, 3 (33.33) cost consideration besides their financial resources, 1(11.11) take into account nature of products for selecting a particular channel of distribution.

Table No: 5 Distributions of Products by the Entrepreneurs.

Name of the Unit	Local /District	Regional	State	National	International	Total
1. Food Products			4(100)			4
2. Tobacco						0
3. Cotton Textiles	4(23.52)	4(23.52)	4(23.52)	4(23.52)	1(5.88)	17
4. Wool silk & Synthetic Fibre	6(15.38)	16(41.02)	10(25.64)	5(12.82)	2(5.12)	39
5. Jute & Hemp			1(100)			1
6. Hosiery & Garments	2(50)	2(50)				4
7. Wood Products		2(40)	1(20)	2(40)		5
8. Paper & Printing		1(100)				1
9. Leather Products	1(100)					1
10. Rubber & Plastic Products	1(100)					1
11. Chemical & Chemical Products		2(50)	1(25)	1(25)		4
12. Non-Metallic Products			1(100)			1
13. Basic Metal Products						2
14. Metal Industries	1(33.33)	1(33.33)		1(33.33)		3
15. Machinery & Parts except Electrical		1(50)	1(50)			2
16. Electrical Machinery & Apparatus			2(100)			2
17. Transport Equipment & Parts		1(100)				1
18. Miscellaneous Manufacturing		2(100)				2
19. Repair & Service Industries	2(22.22)	4(44.44)	2(22.22)		1(11.11)	9
Total	17(17.17)	36(36.36)	23(23.23)	13(13.13)	4(4.04)	99

Source: Computed from Primary Data

Figures in parenthesis indicate percentages

With regard to food products all the entrepreneurs try to dispose off their products to near by state .On the contrary, entrepreneurs engaged in manufacturing cotton textiles amounting to 4(23.52) are willing to sell their products to local district ,regional, state, national and merely 1(5.88) go in for to international markets for satisfying the needs of the consumers. With regard to wool ,silk ,and synthetic fiber 16(41.02) entrepreneurs sell their products to regional ,10(23.52) to state ,6(15.38) to district,5(12.82) to national and 2(5.12) to international markets for catering to different market segments. All the entrepreneurs engaged in manufacturing jute and hemp 1(100), non-metallic products, electrical machinery and apparatus produce products tailoring the needs and aspirations of near by state. As against hosiery and garments whereby half of them 2(50) sell out to another district like Chandauli and rest of them 2(50) in regional markets With regard to wood products 2(40) entrepreneurs are willing to satisfy the regional and national consumers while merely 1(100) cater to regional segments .All the entrepreneurs engaged in paper and printing 1(100),transport and equipment and parts, miscellaneous manufacturing products 2(100) cater to the needs of regional consumers. As against this, entrepreneurs manufacturing leather products 1(100), rubber and plastic products, 1(100) tailor their products keeping in view local and district level consumers. Half of the entrepreneurs manufacturing chemical and chemical products try to sell out to regional consumers while 1(25) to State and National level consumers. Equal proportion of entrepreneurs engrossed in manufacturing metal products align their offering for gratifying the needs and desires of local, regional and even national level consumers. Half of the entrepreneurs engaged in manufacturing machinery and parts except

electrical try to cater regional and state level consumers .If we talk about repair and service industries17 (17.17) and 23(23.23) entrepreneurs offer their products for satisfying district and state level consumers while 4(44.44) for local consumers and merely 1(11.11) cater to the needs of international markets.

Table 6: Modes of Transport used by the entrepreneurs

Name of the Unit	Road Transport	Rail Transport	Airways	Any Other	Total
1 Food Products	2(50)	1(25)	1(25)		4
2 Tobacco					0
3 Cotton Textiles	8(47.05)	7(41.17)	1(5.88)	1(5.88)	17
4. Wool silk &Synthetic Fiber	21(53.84)	14(35.89)	1(2.56)	3(7.6)	39
5. Jute & Hemp				1(100)	1
6. Hosiery & Garments	2(50)	1(25)	1(25)		4
7. Wood Products	2(40)	1(20)	1(20)	1(20)	5
8. Paper & Printing	1(100)				1
9. Leather Products		1(100)			1
10. Rubber &Plastic Products	1(100)				1
11. Chemical &Chemical Products	2(50)	1(25)	1(25)		4
12. Non-Metallic Products		1(100)			1
13. Basic Metal Products	1(50)	1(50)			2
14. Metal Industries	1(33.33)	1(33.33)	1(33.33)		3
15. Machinery &Parts except Electrical		1(50)	1(50)		2
16. Electrical Machinery & Apparatus	2(100)				2
17. Transport Equipment &Parts	1(100)				1
18. Miscellaneous Manufacturing	1(50)	1(50)			2
19. Repair &Service Industries	4(44.44)	3(33.33)	1(11.11)	1(11.11)	9
Total	50(50.50)	34(34.34)	8(8.08)	7(7.07)	99

Source: Computed from Primary Data Figures in parenthesis indicate percentages

While selecting the mode of transport the small scale industries located in Varanasi consider several factors like suitability, reliability and cost, time consumption and traditional practices. It has been deduced from the table No 6 , that with regard to food products half of the entrepreneurs make use of road transport while 1(25) rail and 1(25) airways respectively .In respect of cotton textiles 8(47.05) make use of road 7(41.17) rail and merely 1(5.88) airways and other modes of transport for distributing the goods .With regard to wool ,silk and synthetic fiber 21(53.84) entrepreneurs make good use of road transport,14(35.89) railways, 3(7.6) other modes of distributing their goods to other destination but merely 1(2.56) use airways for exporting their goods. If we talk about jute and hemp 1(100) all of them distribute their products by local means through their private modes. In case of hosiery and garments half of the entrepreneurs 2(50) utilize roadways and rest of them 1(25) rail and

airways for the purpose of distributing their goods. Taking into account wood products 2(40) entrepreneurs used road transport whereas rest of them i.e. 1(20) utilize rail and 1(25) use airways and other modes for the purpose of distributing the goods. With regard to paper printing 1(100) ,rubber and plastic products 1(100) ,electrical machinery and apparatus 2(100) ,transport equipment and parts 1(100) every entrepreneur use railways for transporting their goods .If we discuss about chemical and chemical products half of the entrepreneurs 2(50) make use of road transport like trucks, buses, while rest of them i.e. 1(25) deploy airways and railways for distributing their products. In case of basic metal products and miscellaneous manufacturing 1(50) half of the entrepreneurs utilize road transport and rest of them 1(50) rail transport for carrying their goods from point of production to consumption .Equal proportion of entrepreneurs engaged in machinery and parts except electrical use railways and leftovers go in for 1(50) airways for providing outlets to their products. With regard to repair and service industries 4(44.44) utilize roadways, 3 (33.33) railway while 1(11.11) make use of airways and other modes of transport.

Table 7: Factors considered by the entrepreneurs while selecting the mode of transport

Name of the Unit	Cost of Service	Speed of Service	Dependability	Availability and Frequency	Capability	Total
1 Food Products	2(50)			2(50)		4
2 Tobacco						0
3 Cotton Textiles	6(35.29)	2(11.76)	2(11.76)	3(17.64)	4(23.52)	17
4. Wool silk &Synthetic Fibre	14(35.89)	4(10.25)	2(5.12)	13(33.33)	6(15.38)	39
5. Jute & Hemp	1(100)					1
6. Hosiery & Garments	2(50)		1(25)	1(25)		4
7. Wood Products	1(20)	1(20)	1(20)	1(20)	1(20)	5
8. Paper & Printing				1(100)		1
9. Leather Products	1(100)					1
10. Rubber &Plastic Products	1(100)					1
11. Chemical &Chemical Products	2(50)	1(25)			1(25)	4
12. Non-Metallic Products				1(100)		1
13. Basic Metal Products	2(100)					2
14. Metal Industries	1(33.33)	1(33.33)			1(33.33)	3
15. Machinery &Parts except Electrical	1(50)			1(50)		2
16. Electrical Machinery & Apparatus	2(100)					2
17. Transport Equipment &Parts	1(100)					1
18. Miscellaneous Manufacturing	1(50)			1(50)		2
19. Repair &Service Industries	2(22.22)	2(22.22)	1(11.11)	2(22.22)	2(22.22)	9
Total	38(38.38)	11(11.11)	7(7.07)	28(28.28)	15(15.15)	99

Source: Computed from Primary Data Figures in parenthesis indicate percentages

Almost equal proportion of the entrepreneurs engaged in food products take into account cost of

service and availability of the transporting medium while distributing their goods, as against cotton textiles 6(35.29) keep in view cost of service, 3(17.64) availability and frequency 4(23.52) capability of the transportation medium in term of its strengths .While 2(11.76) consider speed of service and dependability of the mode. With regard to entrepreneurs engaged in wool, silk and synthetic fiber 14(35.89) entrepreneurs consider cost involved in using particular mode of transport 13(33.33) keep into mind availability and frequency of transport, 6(15.38) capability of the transporting media, while 4(10.25) consider its speed factor and 2(5.12) on its dependability of transportation media for carrying out their goods. All the entrepreneurs engage in jute and hemp 1(100), leather products, rubber products, basic metal products 2(100), transport equipment and parts 1(100) go in for using any particular mode keeping in view their cost factor. Half of the entrepreneur engaged in hosiery and garments keep in view cost of its service its rest half 1(25) dependability availability and frequency and capability also before selecting a particular mode of transport .All the entrepreneurs engaged in paper and printing 1(100), non-metallic products, electrical machinery and apparatus 2(100) take into account availability and frequency of the transporting media for distributing their goods. With regard to chemical and chemical products half of the entrepreneurs consider cost of service 2(50) ,while rest of them 1(20) speed of service and its capability .Almost equal proportion of entrepreneurs carrying on manufacturing of metal products consider cost ,speed and capability of the transporting media while considering a particular mode of distribution. With regard to machinery and parts except electrical half of them 1(50) consider cost and rest of them availability and frequency of transporting media and same is the strategy being adopted by miscellaneous manufacturers. With regard to repair and service industries 2(22.22) entrepreneurs take into account cost, speed of service, availability and

frequency and capability while 1(11.11) dependability factor into account.

Table 8: Information /opinion suggested by middlemen.

Name of the Unit	Product Design Changes	Price Changes	Addition of More Middlemen in the area	Change In Advertising	Introduction of New Model Varieties	Total
1 Food Products		3(75)			1(25)	4
2 Tobacco						0
3 Cotton Textiles	2(11.76)	5(29.41)	5(29.41)	2(11.76)	3(17.64)	17
4 Wool silk & Synthetic Fibre	3(7.69)	11(28.20)	6(35.29)	4(10.25)	15(38.46)	39
5 Jute & Hemp		1(100)				1
6 Hosiery & garments		1(25)	1(25)	1(25)	1(25)	4
7 Wood Products	1(20)	2(40)	1(20)	1(20)		5
8 Paper Printing				1(100)		1
9 Leather Products			1(100)			1
10 Rubber & Plastic Products		1(100)				1
11 Chemical & Chemical Products	1(25)	1(25)		1(25)	1(25)	4
12 Non-Metallic Products			1(100)			1
13 Basic Metal Products		2(100)				2
14 Metal Industries	1(50)		1(50)			2
15 Machinery & Parts except Electrical				1(50)	1(50)	2
16 Electrical Machinery & Apparatus			1(33.33)	1(33.33)	1(33.33)	3
17 Transport Equipment & Parts	1(100)					1
18 Miscellaneous Manufacturing			1(50)	1(50)		2
19 Repair & Service Industries	1(11.11)	2(22.22)	3(33.33)	2(22.22)	1(11.11)	9
Total	10(10.10)	29(29.29)	21(21.21)	15(15.15)	24(24.24)	99

Source: Computed from Primary Data
 Figures in parenthesis indicate percentages

It can be deduced from the above table that 3/4th or 3(75) middlemen engaged in food products offered suggestions to change the price of the product so that can be easily accessed by those who are willing to buy but are not financially sound. While 1/4th or 1(25) middlemen commented to introduce other varieties of jams, pickles for catering to various needs of the different customer groups. With regard to cotton textiles 5(29.41) middlemen offered suggestions for price changes and also to hire new middlemen for carrying out their promotional activities .Middlemen carrying out the activities of entrepreneurs engaged in wool, silk and synthetic fiber 11(28.20) suggested to change the prices of their products, while 15 (38.46) advices to launch new varieties of product line to cater to the needs of different needs themselves. 6(35.29) opined to employ more middlemen for performing the tasks while 4(10.25) ,3(7.69) ,suggested to change the advertising media and also to modify product design respectively. All the entrepreneurs engaged in jute and hemp 1(100), rubber and plastic products, basic metal products 2 (100) offered to change the price of the products for capturing a lion's share in the market. Equal proportion of

middlemen engaged in carrying out the risks of hosiery and garments offer to change the price of the products ,advertising media deploy more middlemen and also to launch new varieties of the products in the market in order to gain hold of present and to create new customers. On the contrary 2(40) middlemen are advised to cut of wood based product to change their prices to lower level while1 (20) of them opined to change the design of the products, advertising medium, hiring some middlemen also to introduce new types of products i.e. launching new product line .All the middlemen carrying out tasks of paper printing entrepreneurs were of the view to change the advertising media, while middlemen hired by the leather products ,non-metallic products try to employ more middlemen for carrying out their tasks. Middlemen performing tasks of rubber and plastic products 1(100), basic metal products respectively, were of the view that prices should be lowered in order to capture a large market share. Equal proportion of middlemen engaged in electrical machinery and apparatus suggest to employ more middlemen change the media and also for introducing new varieties of the products. Half of the middlemen engaged in miscellaneous manufacturing employ more middlemen and rest of them to change the advertising media. While in case of repair and service industries 3(33.333) suggest to add more intermediaries for facilitating distribution process of goods, 2(22.22) middlemen advise to change the price the goods, advertising media, while 1(11.11) middlemen opined to change the product design and also to introduce new ones respectively to stand out in the crowd.

Table 9: Functions performed by the middlemen.

Name of the Unit	Arranging special promotional campaigns	Creating New Customers	Others	Total
1. Food Products	2(50)	2(50)		4
2. Tobacco				0
3. Cotton Textiles	7(41.17)	9(52.94)	1(58.82)	17
4. Wool silk & Synthetic Fibre	20(51.28)	17(43.58)	2(5.12)	39
5. Jute & Hemp		1(100)		1
6. Hosiery & Garments	1(25)	2(50)	1(25)	4
7. Wood Products	2(40)	3(60)		5
8. Paper & Printing		1(100)		1
9. Leather Products	1(100)			1
10. Rubber & Plastic Products		1(100)		1
11. Chemical & Chemical Products	1(25)	2(50)	1(25)	4
12. Non-Metallic Products			1(100)	1
13. Basic Metal Products	1(50)		1(50)	2
14. Metal Industries	1(33.33)	2(66.66)		3
15. Machinery & Parts except Electrical		2(100)		2
16. Electrical Machinery & Apparatus	1(50)	1(50)		2
17. Transport Equipment & Parts		1(100)		1
18. Miscellaneous Manufacturing	1(50)	1(50)		2
19. Repair & Service Industries	4(44.44)	4(44.44)	1(11.11)	9
Total	42(42.42)	49(49.49)	8(8.08)	99

Source: Computed from Primary Data
 Figures in parenthesis indicate percentages

Almost half of the entrepreneurs engaged in 2(50) food products try to create a new customer while rest of them 2(50) arrange special promotional campaigns by taking help from middlemen /agents. With regard to cotton textiles 9(52.94) entrepreneurs through the middlemen try to create new customers while 7(41.17) organize special promotional campaigns and rest 1(58.82) try to follow other objectives by employing middlemen .With regard to entrepreneurs engaged in wool ,silk and synthetic fiber 20(51.28) middlemen arrange special promotional campaign ,17(43.58) try to retain present and create new customers and 2(5.12) other for fulfilling term objectives. All the middlemen engaged in jute and hemp 1(100) ,paper and printing 1(100), rubber and plastic products, machinery and parts except electrical ,machinery and apparatus try to create new customers by delivering effective promotional campaign and converting potential customers into regular ones . While 1(25) arrange resort for aggressive promotional campaign for accomplishing their objectives .With respect to wood product 3(60) middlemen induce the potential customer for trying their products while 2(40) motivate them by carrying out aggressive promotional campaigns induce the customers to have purchase of the product produced by the entrepreneurs The entrepreneur engaged in manufacturing leather products 1(100) through

their campaigns induces existing customers to procure goods in bulk and so to get hold of them. Almost half of the entrepreneurs engaged in chemical and chemical products 2(50) evolve new customers, conversely 1(25) warrant for aggressive promotional campaigns and try to fulfill their strategies. In case of basic metal products 1(50) entrepreneurs go in for effective promotional campaigns and rest of them try to fulfill other objectives With regard to metal industries 2(66.67) middlemen try to create new customers while 1(33.33) carry out effective sales campaign .Every entrepreneurs engaged in machinery and parts except electrical 2(100), transport equipment and parts 1(100) are trying hard to evolve new customers in order to capture larger market share. Half of entrepreneurs engaged in electrical machinery and apparatus 1(50) offer attractive sales campaign while rest of them try to convert potential customers to new ones. With respect to repair and service industries 4(44.44) middlemen resort to aggressive campaigning for evolving novel customers conversely merely 1(11.11) try to accomplish other objectives of the entrepreneurs.

Table 10: Channels used by entrepreneurs for distributing products

Name of the Unit	Direct Channel Manufacturer to Customer	Manufacturer to Retailer to Customer	Manufacturer to Wholesaler to retailer to Customer	Any Other	Total
1. Food Products		1(25)	3(75)		4
2. Tobacco					0
3. Cotton Textiles	9(52.94)	5(29.41)	2(11.76)	1(5.88)	17
4. Wool silk & Synthetic Fiber	8(20.51)	9(23.07)	19(48.71)	3(7.69)	39
5. Jute & Hemp			1(100)		1
6. Hosiery & Garments		2(50)	2(50)		4
7. Wood Products	1(20)	1(20)	2(40)	1(20)	5
8. Paper & Printing			1(100)		1
9. Leather Products			1(100)		1
10. Rubber & Plastic Products			1(100)		1
11. Chemical & Chemical Products	1(25)	1(25)	2(50)		4
12. Non-Metallic Products			1(100)		1
13. Basic Metal Products			2(100)		2
14. Metal Industries	1(33.33)	1(33.33)	1(33.33)		3
15. Machinery & Parts except Electrical		2(100)			2
16. Electrical Machinery & Apparatus		2(100)			2
17. Transport Equipment & Parts			1(100)		1
18. Miscellaneous Manufacturing	1(50)		1(50)		2
19. Repair & Service Industries	2(22.22)	2(22.22)	4(44.44)	1(11.11)	9
Total	23(23.23)	22(22.22)	48(48.48)	6(6.06)	99

Source: Computed from Primary Data
Figures in parenthesis indicate percentages

According to the study, the researcher has observed that with respect to distribution system 3(75) entrepreneurs manufacturing food products

involve two intermediaries as against 1(25) entrepreneurs deploy retailer for catering the needs of the consumers. With regard to cotton textiles 9(52.94) entrepreneurs directly furnish the product to consumers through manufacturers, 5(29.41) through manufacturer -retailer and customer, 2(11.76) make use of two channel members i.e. through manufacturer, wholesaler, retailer customer. Every entrepreneurs engaged in jute and hemp 1(100), paper and printing, leather products rubber and plastic product 1(100), non-metallic products 1(100), basic metal products 2(100), machinery and parts except electrical 2(100) .transport equipment and parts 1(100) first sell their products to manufacturer who in turn sell it to wholesalers then to retailers and ultimately retailers sells to end users or customers .Nearly half of the entrepreneur engaged in hosiery and garments make use of one and two level of intermediaries for selling their products to the final customers. Almost 2(50) entrepreneurs engaged in wood products use two intermediaries between manufacturer and customer while rest 1(20) use other method for distributing their products. In respect of chemical and chemical products half of the entrepreneurs 2(50) deploy three intermediaries for accomplishing the needs of the customers. .With regard to metal industries equal proportion of entrepreneurs 1(33.3) directly sell the goods to the ultimate customers from direct channel manufacturers whereas 1(33.33) through selling the goods to manufacturer who in turn sell goods to retailer and then to customers .While rest of them 1(33.33) by employing three channel members viz. firstly manufacturer sell the goods to retailers and then to customers .Half of the miscellaneous manufacturers 1(100) selling the goods to customers whereas 1(50) through wholesalers and retailers .In respect of repair and service industries 2(22.22) entrepreneurs directly sell their goods to customers for satisfying the needs and wants of consumers and equal proportion of entrepreneurs 2(22.22) employ retailers for sending the goods towards their

ultimate destination .While ,4(44.44) use wholesalers retailer for providing goods to ultimate customers whereas 1(11.11) use other methods for satisfying the desires and wants of customers .Conversely, 4(44.44) make use of two intermediaries for providing the goods to the ultimate consumers whereas 1(11.11) use other methods for satisfying the wants of the consumers.

Table 11: Methods used by the entrepreneurs for compensating the middlemen

Name of the Unit	Commission	Quantity Discount	Trade Discount	Others	Total
1. Food Products	1(25)	1(25)	2(50)		4
2. Tobacco					0
3. Cotton Textiles	2(11.76)	4(23.52)	6(35.29)	5(29.41)	17
4. Wool silk & Synthetic Fibre	17(43.58)	5(12.82)	11(28.20)	6(15.38)	39
5. Jute & Hemp		1(100)			1
6. Hosiery & Garments	2(50)		1(25)	1(25)	4
7. Wood Products	2(40)	2(40)		1(20)	5
8. Paper & Printing			1(100)		1
9. Leather Products		1(100)			1
10. Rubber & Plastic Products	1(100)				1
11. Chemical & Chemical Products	2(50)		1(25)	1(25)	4
12. Non-Metallic Products		1(100)			1
13. Basic Metal Products	1(50)		1(50)		2
14. Metal Industries	2(66.66)			1(33.33)	3
15. Machinery & Parts except Electrical	1(50)	1(50)			2
16. Electrical Machinery & Apparatus			1(50)	1(50)	2
17. Transport Equipment & Parts	1(100)				1
18. Miscellaneous Manufacturing		1(50)	1(50)		2
19. Repair & Service Industries	4(44.44)	2(22.22)	2(22.22)	1(11.11)	9
Total	36(36.36)	19(19.19)	27(27.27)	17(17.17)	99

Source: Computed from Primary Data
Figures in parenthesis indicate percentages

Almost half of the entrepreneur manufacturing food products like pickles ,jams, vinegars offer trade discounts to their sales personnel while 1(25) commission and quantity discounts respectively in order to remunerate them for their services rendered. With respect to cotton textiles 6(35.69) entrepreneurs offer trade discounts, 4(23.52) quantity discounts on their bulk purchases as against 2(11.76) entrepreneurs were given commission 11(28.82) offer trade discounts for immediate payments. In case of wool, silk and synthetic fiber 17(43.58) entrepreneurs use commission for remunerating the intermediaries, 5 (12.82) quantity discount, 11(28.20) trade discount, 6(15.38) resort to other modes for compensating their facilitators. With respect to wood products 2(40) entrepreneurs offer commission, quantity discounts while only 1(20) follow other methods for remunerating the sales

personnel .Entrepreneurs engaged in paper and printing 1(100) offer quantity discounts to their sales personnel for carrying out their work. In respect of rubber and plastic products 1(100) , transport equipment and parts all of them follow commission method for giving payments to sales personnel Half of the entrepreneurs engaged in chemical and chemical products 2(50) offer trade discounts and resort to other methods. With respect of basic metal products 1(50) of them offer commission while rest of them 1(50) are following trade discount policy for their sales personnel With regard to metal industries 2(66.67) entrepreneurs offer commission while 1(33.33) follow other methods. Half of the entrepreneurs engaged in machinery and parts except electrical offer their sales force with commission , and rest of them offer quantity discounts .On the contrary half of entrepreneurs engaged in manufacturing electrical machinery and apparatus products offer trade discounts and go in for other modes for remunerating their work force. With respect to repair and service industries 4(44.44) entrepreneur opined to offer commission, 2(22.22) were of the view to offer quantity and trade discounts while merely 1(11.11) go in for remunerating their intermediaries through other means.

IV. SUGGESTIONS

The greatest problem which these units face some years now is in the area of marketing particularly the distribution strategies followed by them is not up to the mark. The units face stiff competition from large units. Therefore, more concentrated efforts particularly in that area is required, on the part of the government, entrepreneurs' promotional and financial agencies, so that the growth rate of SSI sector can be accelerated further. In spite of such weaknesses no one can ignore the fact that the Small Scale Industries has been playing a very significant and strategic role in India's capital scarce and a labour abundant economy of continental dimensions.

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