



Marketing Strategies of Micro Entrepreneurs in Sankagiri Taluk, Salem District, Tamilnadu

KEYWORDS

Micro Entrepreneurs-Marketing Strategies-Growth-Goals

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ABSTRACT *Micro enterprise is one of the most vibrant and sensitive sectors in Indian economy. India is one of the very few countries that supported small-scale enterprises in order to promote greater employment and development. In today's market, the pressure of competition has increased and bargaining power of customers have strengthened. So, it becomes a herculean task for Micro enterprise to draw the attention of customers. In this context "A Study on Marketing Strategies of Micro Entrepreneurs in Sankagiri Taluk" was undertaken to analyze the marketing strategies of micro entrepreneurs to promote sale of their products and services. A sample consisting of 150 respondents were interviewed individually. The study reveals that the different marketing strategies adopted by the micro entrepreneurs helps them in managing the business effectively at the same time they are facing competition from large scale industries. The micro entrepreneurs must convert the threats in to opportunities for development.*

Introduction

Micro enterprise sector is the most neglected and unorganized sector of Indian economy. The very fact that 40 percent of exports in India come from micro enterprises sector shows that this sector has the maximum potential to create employment opportunities. Most micro enterprises specialise in providing goods or services for the local area.

Importance of the Micro Entrepreneurs and the Micro Enterprises:

- High employment opportunities at comparatively lower capital investment.
- Scope for achieving regional balance economic growth.
- Geographical diffusion of trade, industry and commerce.
- Effective utilization of local resources, skill and entrepreneurs.
- Contribution to employment, growth and wealth distribution.
- Provide economies with greater flexibility at low fixed cost.
- Competiveness in market place.
- Balanced regional development.

Since the time of independence, the small-scale sector in India has been a major contributor to country's Gross Domestic Product (GDP). In today's market, the pressure of competition has increased and bargaining power of customers have strengthened. Customers are unable to deal with the flood of information and perceive that, the different products and services are substitutable in terms of quality and performance. So, it becomes a herculean task for Micro enterprise to draw the attention of customer and have a hold on target market and market share.

Effective Marketing Strategies for Micro Entrepreneurs:

Micro entrepreneurs' growth and sustenance depends on the nature of enterprise they select and the marketing strategies they plan to pursue. Marketing is a social and managerial process by which individuals and groups to obtain what they need and want through creating and ex-

changing products and value with others (Kotler 2003).

The marketing strategies proposed by Philip Kotler, product, price, place, promotion and personnel need to be given very serious thought in the light of resource constraints and scale of operation by the micro entrepreneurs. They need to develop suitable strategies keeping in mind the resources at their disposal.

Strategy is not mere planning. It is a plan to counter the unknown as time comes and events occur. The markets are more competitive now than ever before. Globalisation has unleashed unlimited variety of goods and players in the markets. Multinationals are here to market their products. Local Indian firms are equally aggressive and innovative. Yes there is a place for every competitor who can abide by the rules of marketing be it in terms of price, product, positioning or the place of marketing the product available. Baral S.K. (2010).

Statement of the Problem

Entrepreneurship is one of the important factors of industrialisation. As enterprises begin to grow, they require looking beyond local markets, more on the regional, national and international markets for market diversification and expansion. Effective marketing starts with well defined marketing strategies to achieve the goals. A well-crafted marketing strategies provides the business with focus and direction by indentifying the best opportunities and distinctive advantage and supporting elements and improves the effectiveness of marketing message to customers and partners. So the authors wanted to study **the marketing strategies of micro entrepreneurs in Sankagiri Taluk in Salem District.**

Objectives of the study

- To study the socio economic back ground of micro entrepreneurs of Sankagiri Taluk.
- To examine the origin and growth of micro entrepreneurs in Sankagiri Taluk.
- To analysis the marketing strategies of micro entrepreneurs to promote sale of their products and service.

Review of Literature

Rajasekaran (2003) in his study on **“Choice of Technology at Micro Level Implications for Technology Marketing”** suggested that the technologies which have maximum linkage and which generate maximum entrepreneurial opportunities may be promoted for better performance. **Rachna (2010)** conducted a study on **“Challenges and strategies of Micro, Small and Medium Entrepreneurs: A Case Study Haryana Manufacturing Entrepreneurs”** and concluded that entrepreneurs are facing the challenges of completion, accesses to finance, debt collection and bulk of access to skilled manpower. **Rajkumar Gautama and Rangier Singer (2010)** conducted a study on **“Marketing Mix Strategies of small Manufacturers of India: Punjab Experience”** focused that small units are not using appropriate marketing mix strategies in the highly competitive environment. **Edmir Kuazaqui (2010)** in his study on **“Micro Enterprise: An Exploratory Study on Marketing Strategies”** found that the main strategy for micro enterprise is undifferentiated marketing **Jay Y Trivedi (2013)** in his study on **“Marketing Strategies of Small and Medium Sized Enterprises”** stated that SMEs cannot generate revenue by selling same old products to the same old customers in the same old way. They must change their marketing strategies. So the literature review made the authors to find out the **Marketing Strategies of Micro Entrepreneurs in Sankagiri Taluk, Salem District.**

Methodology

The study was conducted in Sankagiri Taluk, Salem District in Tamil Nadu during the period January 2014 – June 2014. By following purposive sampling procedure 150 respondents were for selected for the study. The study is based on primary data and secondary data. The primary data was collected through interview schedule by purposive sampling method. The tools namely percentage analysis and Likerts scaling technique were applied.

Results and Discussions

Data was analyzed and discussed under the following headings,

- Demographics status of the micro entrepreneurs.
- Entrepreneurship Profile of the micro entrepreneurs.
- Marketing strategies adopted by the micro entrepreneurs.
- Overall satisfactions of micro entrepreneurs.
- Problems of micro entrepreneurs.

Demographics Status of the Micro Entrepreneurs

This Demographics characteristic will influence the success of the business.

Demographics Status of the Micro Entrepreneurs is given in Table: 1

Table: 1 Demographics Characteristics of the Respondents

Socio Economic Profile	Number	Percentage	Socio Economic Profile	Number	Percentage
Age			Education		
20-30	53	35	School level	63	42
31-40	51	34	Under Graduation	27	18
41-50	37	25	Post Graduation	31	21
50 Above	9	6	Others	29	19

Gender			Family Size			
	Male	83	55	Less than Three	25	17
	Female	67	45	Four- Five	14	9
				More than Five	111	74
Marital Status			Nature of Family			
	Married	47	31	Nuclear	112	75
	Unmarried	81	54	Joint	38	25
	Divorced	12	8			
	Widowed	10	7			

Source: Field Survey 2014

The table reveals that the majority, 35 percent of entrepreneurs are young indicating the younger generations aptitude towards entrepreneurship, 45 percent are female entrepreneurs which indicates the development of women in business, 54 percent are unmarried, 42 percent have completed their school education and 74 percent of the entrepreneurs are having more than five members in their family. Further it is evident from the table that 75 percent of the entrepreneurs families are nuclear, enabling them to act independently.

Entrepreneurship Profile of the Micro Entrepreneurs:

The details of business is given in Table 2.

Table: 2 Entrepreneurship Profiles of the Micro Entrepreneurs

S.No	Factors	Number	Percentage
1	Nature of Business		
	Trade	40	26
	Manufacturing	46	30
	Service	64	44
	Total	150	100
2	Ownership		
	Single owners	65	43
	Joint owners	38	25
	Family business	47	32
	Total	150	100
3	Reason to Start Own Business		
	Self-employment	30	20
	Family tradition	41	27
	To earn high income	46	31
	Small investment	21	14
	No other alternatives income	12	8
	Total	150	100
4	Sources of Awareness		
	Business colleagues	46	31
	Media	20	13
	Friends	64	43
	Others	20	13
	Total	150	100
5	Capital Source		
	Contribution by the proprietor	32	21
	Contribution from friends/partner	39	26
	Contribution by family members	46	31
	Loan from bank	33	22
	Total	150	100
6	License Obtained		

	Yes	93	62
	No	57	38
	Total	150	100
7	Registration of Business		
	Time Taken to Register Business		
	Less than 3 months	34	23
	3-6 months	28	18
	More than 6 months	88	59
	Total	150	100

Source: Field Survey 2014

The majority of respondents 44 percent were engaged in service oriented business, 30 percent of them were operating manufacturing business and the remaining 26 percent of them were operating trade related business. The majority of them 43 percent are running as sole owners of entrepreneurs and 32 percent are doing with family members. Further the table indicates that 31 percent of entrepreneurs were started the micro enterprises with a desire of earning high income, 27 percent have started the business as it was their family tradition to run the business and 20 percent of them were running the business as they want to be self employed, 14 percent of them have started their business as only small investment is required for starting their business and the remaining eight percent of the entrepreneurs to lead the family. The table reveals that 31 percent of the entrepreneurs have raised capital from family members, 26 percent from friends/partners, 22 percent from banks and the rest 21 percent contributed the capital on their own.

Business Experiences

The business experience of the micro entrepreneurs of Sankagiri Taluk is given in table – 3.

Table: 3 Business Experiences of Micro Entrepreneurs

S.No	Factors	Number	Percentage
1	Business Experience		
	Less than one year	28	19
	One - five year	31	21
	Six-ten years	18	12
	More than ten years	73	48
	Total	150	100
2	Skills Acquired		
	Through formal training	78	52
	From family members	23	15
	Other mode	49	33
	Total	150	100

Source: Field Survey 2014

The majority, 48 percent of them were having more than 10 years of business experience, 19 percent of them were having an experience of less than a year. 52 percent of the entrepreneurs have acquired skills through formal training.

Marketing Strategies Adopted by the Micro Entrepreneurs.

Customers play a most significant part in business. In fact the customer is the actual boss in a deal and responsible for the actual profit for the organization. Customer is one who uses the products and services and judges the quality of those products and service. Hence it is important for an organization to retain customers or make new customers and flourish business. The details of marketing strategies is given in Table 4.

Table: 4. Marketing Strategies of the Selected Micro Entrepreneurs

S.No	Factors	Number	Percentage
1	Types of Customers		
	Children	36	24
	Adult	23	15
	All	91	61
	Total	150	100
2	Area of Marketing		
	Local level	36	24
	District level	29	19
	State level	21	14
	National level	31	21
	Export	33	22
	Total	150	100
3	Channels of Marketing		
	Producer	43	29
	Whole seller	39	26
	Retails	68	45
	Total	150	100
4	Marketing Method		
	World of mouth	31	21
	Display sales system	23	15
	Discount on sale	29	19
	Putting bill boards	18	12
	Show room	10	7
	Participating	22	15
	Using business card	17	11
	Total	150	100
5	Basis of Fixing the Price		
	Cost plus margin	42	28
	Demand for the product	53	35
	Competitors	55	37
	Total	150	100
6	Mode of Advertisement		
	Social media	3	2
	News paper	6	4
	Email	23	15
	No specific advertisement	118	79
	Total	150	100
7	Method of Managing the Competition		
	By reducing the price	44	29
	By the advertisement	19	13
	By changing the features of the product	87	58
	Total	150	100
8	Employees in the Business		
	Up to 5 members	54	36
	6-10	40	27
	More than 10	56	37
	Total	150	100
9	Nature of Employees in the Business		
	Permanent employees	90	60
	Temporary employees	60	40
	Total	150	100

Source: Field Survey 2014

The table indicates that 61 percent of the entrepreneurs are producing the products meant for all sort of customers, 24 percent of the entrepreneurs are manufacturing products for the usage of children and the rest, 15 percent produce the products for adults. Further it could be noted that, 22 percent are exporting the products, 24 percent are selling at the local level and the rest are dealing at the district level (19 percent) state level, (14 percent) and at the national level, (21 percent). The majority, 45 percent of the entrepreneurs are selling through retailers using different marketing methods and 79 percent are not following any specific advertisement. In case of stiff competition 58 percent of the entrepreneurs are managing by changing the product features.

By providing opportunities for growth and development,

organizations can improve the quality of their employee, work experience and realize the benefits of developing workers to their full potential. It could be noted that 36 percent of micro entrepreneurs are providing employment opportunities up to five employees in their enterprises, 27 percent of the entrepreneurs providing 6-10 employees in their organization, 37 percent of entrepreneurs providing employment opportunities for more than 10 members. Further 60 percent of the entrepreneurs are providing permanent employment opportunities and 40 percent providing temporary employment opportunities.

Overall Satisfaction of Micro Entrepreneurs

The overall satisfaction of the micro entrepreneurs towards different marketing strategies was analysed by following five point scaling technique. The scores were assigned as follows: Highly satisfied: 5, Satisfied:4, Neutral: 3, Dissatisfied:2 and Highly dissatisfied: 1.

Table 5: Overall Satisfaction of Micro Entrepreneurs

S.No	Overall Satisfactions	HS	SA	N	DIS	HDIS	Total Score	Mean Score
1	Information about the product	34	61	13	38	4	533	3.5
2	Information about the price	40	53	10	45	2	534	3.56
3	Information about the brand	60	50	40	-	-	620	4.13
4	Marketing strategies	30	45	20	35	20	480	3.2
5	Existing competition	58	50	18	28	2	602	4.01
6	Nature of business	66	53	31	-	-	635	4.2
7	Ownership of business	36	60	30	24	-	558	3.72
8	Business experience	70	30	14	16	20	580	3.9
9	Skills acquired	59	40	22	20	9	570	3.8
10	Help from family members	61	40	21	20	8	576	3.48
11	Employment opportunities	58	50	10	14	18	566	3.7
12	Management of business	52	60	23	15	-	599	4
13	Facing the competition	68	43	18	17	4	604	4.02
14	Marketing area	71	39	20	17	3	608	4.05

Source: Field Survey 2014

HS – highly satisfied, SA – satisfied, N – neutral, DIS – dissatisfied, HDIS – highly dissatisfied.

The table reveals that the highest score for overall satisfaction is towards nature of business (4.2) followed by the information about the brand (4.13), marketing area (4.05), facing competition (4.02), existing competition (4.01), management of business (4), business experience (3.9), skills acquired (3.8), employment opportunities (3.7), information about the price (3.56), information about the product (3.5), and marketing strategies (3.2). Overall the micro entrepreneurs were satisfied towards different marketing strategies they adopted.

Problems of Micro Entrepreneurs

The micro, small and medium enterprises face problems at every stage of their operation, whether it is buying of raw materials, manufacture of products, marketing of goods or

raising of finance. These industries are therefore not in a position to secure the internal and external economies of scale. The major problems affecting the sector have been identified and given in table 6:

Table 6: Problems of Micro Entrepreneurs

S.No	Problems	Number	Percentage
1	Lack of technology	56	37
	Lack of efficient management system	33	22
	Poor quality	30	20
	High cost of production	31	21
	Total	150	100

Source: Field Survey 2014

It could be noted from the table that 37 of the micro entrepreneurs are not having or finding costly to adopt the modern technology, followed by 22 percent of them are not having efficient management system, 20 percent are having the problem of poor quality and 21 percent feel that the cost of production is high. The above problems can be managed by attending proper training and efficient management.

The study reveals the different types of business carried on by micro entrepreneurs, marketing strategies adopted and its impact on their business.

Suggestions

Micro entrepreneurs should be given more training to create awareness with regard to selection of their nature of activity, enterprise, availability of finance, marketing of their products and access to information technology.

Micro entrepreneurs can extend their scale of operations beyond local, regional level and innovative in marketing.

Institutional support should be strengthened further.

Periodical training should be conducted to improve the behavioral traits and the managerial skills of micro entrepreneurs.

Conclusion

The study reveals that the different marketing strategies adopted by the micro entrepreneurs helps them in managing the business effectively towards marketing goals and they also satisfied with different marketing strategies at the same time majority of them are facing the problems of lack of proper technology, training and competition from large scale industries. They must convert the threats into opportunities for development.

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