



ORIGINAL RESEARCH PAPER

Marketing Management

STUDY OF MARKETING CHALLENGES FACED BY EXTRUSION COMPANIES IN BRASS PART INDUSTRY

KEY WORDS: Extrusion, Marketing Challenges, Jamnagar, Brass Part industry

Dr. Rajesh Faldu

Associate Professor

ABSTRACT

Extrusion plants in brass part industry face a lot of marketing challenges. Hence there was a need to study the same. This study focuses on "Marketing Challenges faced by Extrusion companies in Brass Part industry in the city of Jamnagar. Scope of study was limited to 25 extrusion companies which were selected and various types of marketing challenges faced by them were studied. Descriptive research design has been carried out as this research aims to describe various types of marketing challenges faced by extrusion companies in brass part industry. Primary data was collected through questionnaire and was filled up from top management of the company which includes managers, owner, etc. Data analysis & findings reveal that there are significant differences in the different challenges faced by the extrusion plants of Jamnagar and that there are various marketing challenges which are faced by extrusion plants in brass part industry.

INTRODUCTION

The brass parts industries in Gujarat is mostly concentrated in an around Jamnagar district which caters to the requirement of around 70% of the machine brass component of the country and also in some quantity export to various countries. The brass parts industry in Jamnagar supplies to wide ranging industries such as electrical appliances, automobiles, bicycles, electronics, building hardware etc.

Brass-parts and component industry in Jamnagar beginning with brass buttons in the early 1940s has reached to the state of manufacturing high value precision items in the 90s, traveling through building hardware, screws, electrical parts and component, bicycle tube valves, automobile part and components, sanitary fittings, safety razors, battery terminals and cable glands, bolts, nuts, pencil sharpeners and so on, with an impressive inventory of about 10,000 items at present.

Jamnagar is known as a reputed brass parts manufacturing center for more than half a century. At present there are 4,500 units engaged in brass parts and component manufacturing in Jamnagar. The industry gives direct employment to nearly 50,000 workers and nearly 1,00,000 persons indirectly. The value of the products manufactured in this cluster Rs960 crore per annum. Of this, Rs392 crore worth of brass parts is exported and the rest supplied to the domestic market. While 95 per cent of the brass scrap is imported, exports of the brass parts (especially bicycle tube valves, auto valves, battery terminals and cable glands, builder hardware, safety razors, inserters and other electric items, grease nipple, pencil sharpeners, precision computer and telecom parts and components, brass parts and components used in aircraft/ space craft) is put at about 20 – 22 per cent of the total turnover. Exports are growing at an annual rate of 15 per cent since the last 5 to 7 years¹. The types of marketing challenges faced by extrusion companies in brass part industry are as under:

1. Lack of trust among buyers regarding quality
2. Uncertain global demand or economy
3. Competition posed by other countries
4. Payment default
5. Recession in exporting countries
6. Lack of unity among Indian Exporters
7. Inadequate demand of Indian product in international market
8. Absence of any strong Indian forum to represent in the international market
9. Lack of clarity in government policy
10. Maintaining customer royalty with the company
11. Maintaining labor force
12. Effective positioning in the mind of consumers
13. Maintaining credit policy

REVIEW OF LITERATURE

1.R.Pandit, D.Upadhyay (2008) studied "Marketing Mix Strategies of Brass Part Industries. The basic aim of this paper is to

find out marketing mix strategies of brasspart industry. Major findings include the marketing mix is all the key activities that are used in marketing business's products. This is frequently referred as the four Ps: Price, Promotion, Place and Products. A business will manipulate the four elements of the marketing mix in whatever way it has, in order to stay ahead of the competition. The brass parts industry is primarily an intermediate industry supplying a wide variety of brass parts and components to almost all the engineering industries ranging from electrical/ electronics industry to automobile industry. It's phenomenal growth could also be ascribed to the growth and diversification of other engineering related sectors of the industry².

2.H.M.M.M Jayawickramaa , M. Dharmawardanaa , A.K Kulatungaa , K.G.S.P Karunarathnaa , S.A.U. Osaditha (2016)

studied "Enhancement of productivity of traditional brass manufacturing industry using sustainable manufacturing concept" The basic aim of this paper was to find out challenges faced in Enhancement of productivity of traditional brass manufacturing industry using sustainable manufacturing concept. Major findings include The Sri Lankan Brass manufacturing industry has evolved through centuries. Since then, this industry has been operated as family business, there are many gaps compared to modern manufacturing industries. Hence it faces sever threats from different aspects including escalation of raw material prices, proper reverse logistic mechanism to collect scarp brass material, lack of competencies to adapt new technology. This research is carried out to investigate the adaptation of appropriate technology to replace traditional sand casting process and manual sheet metal carving process. As a secondary measure, a methodology is developed to introduce appropriate technology to marginalized community as University - Industry partnership. This is paramount important since they do not have required level of technical competencies to use CAD, CAM. Outcomes reveal that there are number of productivity enhancements in terms of product quality, material efficiency and process standardization³.

RATIONALE OF STUDY

Jamnagar is considered as the hub of brass part industries. Many medium scale and small scale brass industries function at Jamnagar level, which ultimately are the OEM (Original Equipment Manufacturer) for many bigger industries. The extrusion plants in Jamnagar, supply their parts to companies like Bajaj, Maruti Suzuki, Mahindra & Mahindra, Godrej etc. At this juncture, the researcher wanted to know, how many marketing challenges are faced by this extrusion plants. The current research is an attempt to find out the said challenges.

SCOPE OF STUDY

The scope of this study is limited to studying marketing challenges faced by selected 25 extrusion companies in brass part industry of Jamnagar

RESEARCH PROBLEM

Research problem is as given as under:

“To study marketing challenges faced by selected extrusion companies in brass part industry in Jamnagar”

RESEARCH OBJECTIVES

1. To find out marketing challenges faced by selected extrusion companies in brass part industry.
2. To suggest the measures to overcome the marketing challenges.

RESEARCH DESIGN

Descriptive research - The researcher aims to describe the marketing challenges faced by extrusion companies in Jamnagar.

SAMPLE DESIGN

- **Sampling Method:** Non-probability convenience sampling method
- **Sample size:** 25
- **Sample unit:** Owners or Managers of Extrusion plants in Brass Part Industry

DATA COLLECTION METHOD

Primary data has been collected by using data collection instrument as questionnaire. Secondary data has been collected from journals, books, etc.

DATA ANALYSIS & INTERPRETATION

Table No. : 1 - Table showing Quality is a challenge for company

Do you think that lack of trust among buyers regarding quality is a challenge for company?	No. of Respondents
Strongly Agree	0
Agree	56
Neutral	44
Strongly Disagree	0
Disagree	0
Total	100

Source: Questionnaire

Interpretation: Majority 56% people agree regarding Quality is a challenge for company.

Table No.: 2 – Table showing payment default is a challenge for company

Is payment default a challenge for company?	No. of Respondents
Strongly Agree	76
Agree	8
Neutral	0
Strongly Disagree	16
Total	100

Source: Questionnaire

Interpretation: It is clear that majority that is 76% has reckoned that payment default is a challenge for company

Table No.: 3 – Recession in exporting countries increases the problem of payments

Does recession in exporting countries increased the problem of payments?	No. of Respondents
Strongly Agree	44
Agree	52
Neutral	0
Strongly Disagree	0
Disagree	4
Total	100

Source: Questionnaire

Interpretation: It is clear that majority that is 52% has reckoned

that recession in exporting countries increases the problem of payments

Table No.: 4 – Table showing Maintaining your labour force is a challenge for you

Is maintaining your labour force is a challenge for you?	No. of Respondents
Strongly Agree	10
Agree	84
Neutral	6
Total	100

Source: Questionnaire

Interpretation: It is clear that majority that is 84% has reckoned that Maintaining labour force is a challenge

Table No.: 5 – Table showing effective positioning in the mind of consumers is a challenge for company

To do effective positioning in the mind of consumers is a challenge for company?	No. of Respondents
Strongly Agree	0
Agree	76
Neutral	24
Total	100

Source: Questionnaire

Interpretation: It is clear that majority that is 76% has reckoned that effective positioning in the mind of consumers is a challenge for company

TESTING OF HYPOTHESIS

The broad hypothesis formulated is as under:

H₀: There is no significant difference in the different challenges faced by the extrusion plants of Jamnagar

ANOVA :SINGLE FACTOR				
SUMMARY				
Groups	Count	Sum	Average	Variance
Column 1	5	150	30	162.5
Column 2	5	220	44	128
Column 3	5	69	13.8	11.7
Column 4	5	10	2	4
Column 5	5	12	2.4	8.3

Here,

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	6680.16	4	1670.04	26.55072	9.41E-08	2.866081
Within Groups	1258	20	62.9			
Total	7938.16	24				

Calculated is 26.55072 & F Tabulated is 2.866081. So Null Hypothesis is rejected.

So it means that there are significant differences in the different challenges faced by the extrusion plants of Jamnagar

FINDINGS

Following are the major findings of the study:

1. Majority 56% people agree regarding Quality is a challenge for company.
2. Majority 76% has reckoned that payment default is a challenge for company
3. Majority that is 52% has reckoned that recession in exporting countries increases the problem of payments
4. Majority 84% has reckoned that Maintaining labour force is a challenge
5. Majority 76% has reckoned that effective positioning in the mind of consumers is a challenge for company

SUGGESTIONS

1. Not only quality should be maintained but there should be continuous improvements regarding process, technology updation, reducing wastage, etc
2. Workers should be motivated and trained for reducing defects and manufacturing superior quality
3. Work culture has to be improved so workers enjoy working in company and are loyal towards organization
4. Proper credit policy has to be formulated and implemented
5. Proper strategy has to be formulated for managing competition and meeting changing customer needs so that recession period is handled properly
6. Proper positioning strategy has to be formulated so that products are better positioned in the minds of customers which can increase long – term sales.

CONCLUSION

Majority of the companies of Brass Part industry practice total quality management in Manufacturing Process. Moreover, they also offer customized product as per the requirement of the customers. As a part of promotional activities, companies of the brass part industry have offered discounts & allowances for bulk purchase. Majority of the companies have agreed that promotional activities have increased their sales. As per the research, internal competition & high scrap prices are the two biggest obstacles in the development of brass part industries. In nutshell, it can be concluded that there are various marketing challenges faced by extrusion companies in brass part industry. However, through proper strategies, it can be minimized.

REFERENCES

1. http://shodhganga.inflibnet.ac.in/bitstream/10603/2155/8/08_chapter%203.pdf
2. R.Pandit, D.Upadhyay (2008) studied "Marketing Mix Strategies of Brass Part Industries." Published in International Journal of Management in 2008
3. <https://www.researchgate.net/publication/295243588>
4. C R Kothari (2006), "Research Methodology: Methods & Techniques", New Delhi: New Age International Publishers