

## **A STUDY ON MARKETING PROBLEMS FACED BY MICRO SMALL AND MEDIUM ENTERPRISES: A SPECIAL REFERENCE TO THOOTHUKUDI DISTRICT**

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### **Abstract**

Micro Small and Medium Enterprises are recognized as the engine of growth all over the world. The present paper deals with the marketing problems faced by micro small and medium enterprises in Thoothukudi District.

The study has the following objectives

1. To study the socio-economic outline of the micro, small and medium entrepreneurs.
2. To find out the professional background of micro, small and medium entrepreneurs.
3. To understand the satisfaction of micro, small and medium industries among the sample respondents based on sex.
4. To analyse the marketing problems faced by the sample respondents.

The study is confined to Thoothukudi district of Tamil Nadu. Both primary and secondary data have used for the present study. Secondary data were collected from the journals, publications, reports, books, unpublished Ph.D thesis, research papers and websites. The data to be analysed with the help of statistical tools like average, percentages, standard deviation, chi-square test, t test etc. It is revealed that the intended value is higher than the table value at 5 percent level, there is a relationship between the sources of finance of the micro, small and medium entrepreneurs and their marketing problems. The micro, small and medium enterprises come across many problems, chiefly insufficient finance, absence of infrastructure, absence of managerial capability, insufficient market connection and outdated equipment, though running their business. To overawed these problems Government has to take distinctive inventiveness to implement group schemes through which could be educated to have more consciousness to grow Micro, Small and Medium Industries in Thoothukudi District.

**Keywords:** Economic growth, service sector, industrial development, entrepreneurship, marketing problems

## INTRODUCTION

Micro, small and medium enterprises (MSMEs) form the mainstay of the Indian economy and have become a device of economic development in India. For sustainable growth and development of the country, people should migrate from agriculture to industry and further to the service sector, and in this migration development of Micro Small and Medium Enterprises (MSMEs) can play a significant role (Ramarao, R.2012).

The presence of micro, small and medium enterprises plays a pivotal role in the balanced and holistic industrial development of the country as MSMEs generate employment and add value to the products and services while encouraging entrepreneurship (Karnataka, 2010). The present paper deals with the marketing problems faced by micro, small and medium enterprises in Thoothukudi District.

## OBJECTIVES OF THE STUDY

The study has the following objectives

1. To study the socio-economic outline of the micro, small and medium entrepreneurs.
2. To find out the professional background of micro, small and medium entrepreneurs.
3. To understand the satisfaction of micro, small and medium industries among the sample respondents based on gender.
4. To analyse the marketing problems faced by the sample respondents.

## METHODOLOGY

The study confined to Thoothukudi district of Tamil Nadu. Thoothukudi district has a large number of micro, small and medium enterprises, and the enterprises have shown significant growth in the district. Both primary and secondary data have used for the present study. The researcher indeed selects the seven micro, small and medium enterprises such as medical stores, restaurant, computer centre, tuition centres, customs clearance agency, salt and marine industry has been randomly selected for this study. Hence the researcher chooses each 20 respondents from the seven micro, small and medium enterprises, totally 140 respondents are selected for this study by adopting a simple random sampling method.

The personal interview method carried with a pre-tested schedule. The primary data collected about the year 2017-18. Secondary data were collected from the reports and records of Ministry of Micro, Small and Medium Enterprises, journals, publications, reports, books, unpublished Ph.D thesis, research papers and websites. The data to be analysed with the help of statistical tools like average, percentages, standard deviation, chi-square test, t test etc.

## REVIEW OF LITERATURE

Dr Mukund Chandra Mehta (2013) reveals that the twin problems of unemployment and poverty constitute a significant development challenge. There are several challenges in the sector of MSMEs. If the Government, Bank and Financial Institutions will take proper initiatives in the sector of MSME and they will take pride while servicing the MSMEs, these challenges can be solved, and the economic growth rate of India will be 8 – 10% for the next decades.

SahajTambi (2013) purpose of this paper is to examine and analyse the challenges faced by the local small and medium scale textile industries in Jaipur. It asserts that perhaps the availability of finance is not as much of a problem as repayment of it is. The repayments of financial liabilities are stressful and discouraging due to low paying capacity and insignificant sales.

M. PramilaDeviand Dr S. Ramachandran viewed that MSME sprimarily need access to new technologies. Apart from unfortunate financial situations, low levels of R & D, poor adaptability to changing trade trends, non-availability of technically trained human resources, lack of management skills and access to technological information are some of the reasons that are blocking the growth of MSMEs.

Puneet Singh, Davinder Singh (2014), analysed the problems of technological backwardness and enhance their access to new technologies, it is imperative to offer them a conducive environment, which is in the present context of globalisation, calls for approach with knowledge playing a pre dominant role. There is a need to understand and assess the real needs of the MSMEs and accordingly devise approaches that ensure their sustainable growth. Sangita G. Patil, Dr PT. Chaudhari (2014), examined the growth and performance of Small Scale Industries and analysed the problems of small scale industries. The study concludes that the promotion of SSI is essential in developing economies like India to achieve equitable distribution of income and wealth, economic self – dependence and entrepreneurial development.

Nishanth.P and Dr.Zakkariya K.A. (2014) analysed to identify the various barriers faced by MSMEs in raising finance and to identify the various sources of finance other than banks. The analysis of preliminary results reveals that only a small percentage of firms availed the credit scheme offered by banks. While evaluating the reason for non- availing credit schemes, the highest percentage of respondents feel that too many formalities are there while availing credit schemes.

Dr. M.S. Vasuand Dr. K. Jayachandra (2014) showed that the MSME shave an aptitude for innovation, creativity, and flexibility which enables them to respond with more quickly to structural changes and to adapt the dynamic demand patterns of consumers. IT is also clear that MSMEs has performed exceedingly well and enabled our country to achieve a full measure of industrial growth and development.

**ANALYSIS AND INTERPRETATION**

**TABLE 1**  
**AGE-WISE CLASSIFICATION OF MICRO, SMALL AND MEDIUM**  
**ENTREPRENEURS**

Sl. No.	Age (in years)	Number of respondents	Percentage
1.	Less than 30	15	10.71
2.	30–40	39	27.86
4.	40–50	65	46.43
4.	50 and above	21	15.00
Total		140	100.00

Source: Survey data

From Table 1, it has been revealed that the majority of micro, small and medium entrepreneurs are in the age groups of 40–50 years. 27.86 per cent of the respondents in the age group of 30–40 years. The number of respondents who are 50 years and above constitutes 15.00 per cent. The respondents, who are under the age group of fewer than 30 years, constitute 10.71 per cent to a total of 140. The mean age of micro, small and medium entrepreneurs worked out to be 41.57 years, and their standard deviation worked out to be 22.45 years.

**TABLE 2**  
**EDUCATIONAL ATTAINMENT OF MICRO, SMALL AND MEDIUM**  
**ENTREPRENEURS**

Sl. No.	Level of Education	Number of respondents	Percentage
1.	Illiterate	20	14.29
2.	School Level	64	45.71
3.	College Level	39	27.86
4.	Technical Level	20	12.14
Total		140	100.00

Source: Survey data

It has been inferred from Table 2 that a maximum of 45.71 per cent of the micro, small and medium entrepreneurs are having school level education, followed by 27.86 per cent of the micro, small and medium entrepreneurs are college-level education. 14.29 per cent with illiterate and 12.14 per cent of the micro, small and medium entrepreneurs have Technical level education.

**TABLE3**  
**SEX-WISE ANALYSIS OF THE RESPONDENTS**

Sl. No.	Sex	Number of respondents	Percentage
1.	Male	111	79.29
2.	Female	29	20.71
Total		140	100.00

Source: Survey data

From Table3, it has inferred that out of 140 respondents, a majority of 111 (79.29percent) are male and rest 29 (20.71 percent) is female, respectively.

**TABLE4**  
**FAMILY SIZE OF MICRO, SMALL AND MEDIUM ENTREPRENEURS**

Sl. No.	Family Size	Number of respondents	Percentage
1.	Below 3	39	27.86
2.	3–5	78	55.71
3.	Five and above	23	16.43
Total		140	100.00

Source: Survey data

A maximum of 78 (55.71 per cent) of micro, small and medium entrepreneurs have a family size of 3 – 5 members, followed by 39 (27.86 per cent) having a family size of below 3, 23 (16.43percent) have a family size of 5 and above. It is observed from Table4 that the majority of them have a family size of 3 to 5 members. The average size of the family worked out to be 3.77.

**TABLE5**  
**EARNING MEMBERS PER FAMILY OF THE HOUSEHOLDS**

Sl. No.	Earning Members	Number of respondents	Percentage
1.	One	63	45.00
2.	Two	41	29.29
4.	Three	19	13.57
4.	Four	11	7.86
5.	More than four	6	4.28
Total		140	100.00

Source: Survey data

From the Table 5, it has been revealed that a majority of 63 (45.00 per cent) of the micro, small and medium entrepreneurs have only one earning member per family, followed by 41 (29.29 per cent) of the micro, small and medium entrepreneurs with two earning members per family, 19 (13.57 per cent) of the micro, small and medium entrepreneurs have three earning members per family, and 11 (7.86 per cent) of the micro, small and medium entrepreneurs have four earning members per family. Only six (4.28 per cent) of the micro,

small and medium entrepreneurs have more than four earning members per family. The mean earning members per family of the households worked out to be 1.47.

**TABLE 6**  
**OCCUPATIONAL BACKGROUND OF MICRO, SMALL AND MEDIUM**  
**ENTREPRENEURS**

Sl. No.	Occupation	Number of respondents	Percentage
1.	Farmer	58	41.43
2.	Agricultural Labourer	15	10.71
4.	Private employee	37	26.43
4.	Non-agricultural labourer	10	7.14
5.	Fish seller	20	14.29
Total		140	100.00

Source: Survey data

It has been observed from Table 6 the occupational background of 140 micro, small and medium entrepreneurs. Out of the total, 58 (41.43 per cent) of the micro, small and medium entrepreneurs have a necessary occupational background as farmers, 15 (10.71 per cent) of the micro, small and medium entrepreneurs having agricultural labourers. 37(26.43per cent) of the micro, small and medium entrepreneurs have a background of private employment, 10 (7.14 per cent) of the micro, small and medium entrepreneurs have a background of non-agricultural labourers, and 20 (14.29 per cent) of the micro, small and medium entrepreneurs have a background of the fish seller.

**TABLE 7**  
**PERSONAL INCOME OF THE HOUSEHOLDS**

Sl. No.	Monthly Personal Income(Rs.)	Number of respondents	Percentage
1.	Less than Rs.10,000	24	17.14
2.	10,000– 15,000	33	23.57
3.	15,000–20,000	44	31.43
4.	20,000–25,000	28	20.00
5.	25,000 and above	11	7.86
Total		140	100.00

Source: Survey data

From Table 7 it has been observed that out of 140 micro, small and medium entrepreneurs a maximum of 44 (31.43per cent) have a monthly personal income of Rs.15,000–Rs.20,000, followed by 33 (23.57 per cent) with a personal income of Rs.10,000 - 15,000. 28(20.00 per cent) of them have an income of Rs.20,000 -25,000. 24(17.14 per cent) with an income of less than Rs.10, 000 and 11(7.86 per cent) of them have a personal income of Rs.25, 000 and above. The mean monthly personal income of the households works out to be Rs.16392.6.

TABLE 8

## SOURCES OF FINANCE

Sl. No.	Sources of finance	Number of respondents	Percentage
1.	Owned funds only	85	60.71
2.	Both own fund and outsider fund	55	39.29
Total		140	100.00

Source: Survey data

It is inferred from Table 8 that in micro, small and medium entrepreneurs, a majority (60.71 percent) of the entrepreneurs are using their owned funds. 39.29 per cent of the entrepreneurs are receiving both own fund and outsider fund.

TABLE 9

## MARKETING PROBLEMS

Sl. No.	Marketing Problems	Number of respondents	Percentage
1.	Insufficient Finance	41	29.29
2.	Absence of Infrastructure	29	20.71
3.	Absence of Managerial Capability	34	24.29
4.	Insufficient market Connection	25	17.86
5.	Out dated Equipment	11	7.85
Total		140	100.00

Source: Survey data

Above table 9 depicts that, out of 140 micro-entrepreneurs, 29.29 percent of respondents have suffered from insufficient finance, 20.71 percent of respondents suffered from the absence of infrastructure. 24.29 percent of respondents suffered from the absence of managerial capability 17.86 percent of respondents suffered from insufficient market connection, and the remaining 7.85 percent of respondents' opinions are outdated equipment.

### Relationship between the sources of finance and marketing problems of the micro, small and medium entrepreneurs

Table 10 shows the relationship between the sources of finance and marketing problems of the sample micro, small and medium entrepreneurs.

**TABLE10**  
**ASSOCIATIONBETWEENSOURCESOFFINANCEOFTHEMICRO, SMALL**  
**AND MEDIUM ENTREPRENEURS AND THEIR MARKETING PROBLEMS**

Sources of finance / Problems	In sufficient Finance	Absence of Infrastructure	Absence of Managerial Capability	Insufficient market Connection	Outdated Equipment	Total
Own fund	36(42.35)	23(27.06)	19(22.35)	6(7.06)	1(1.18)	85(100)
Both own fund and outsider fund	5(9.09)	6(10.91)	15(27.27)	19(34.55)	10(18.18)	55(100)
Total	41(29.29)	29(20.71)	34(24.29)	25(17.86)	11(7.85)	100(100)

Source: Computed from Primary Data

Note: Figures in brackets denote the percentage of the total

Table 10 displays the relationship between sources of finance and marketing problems of micro, small and medium entrepreneurs. Out of 85 own fund entrepreneurs, 36 (42.35 percent) of them has a problem of insufficient finance, 23 (27.06%) have the problem of the absence of infrastructure. 19 (22.35 percent) of them have the problem of the absence of managerial capability, 6 (7.06 percent) of them have a problem of insufficient market connection and 1 (1.18%) have the problem of outdated equipment.

Out of 55 both own fund and outsider fund entrepreneurs, 5 (9.09 percent) of them have a problem of insufficient finance, 6 (10.91%) have the problem of the absence of infrastructure. 15 (27.27 percent) of them have a problem of the absence of managerial capability, 19 (34.55 percent) of them have a problem of insufficient market connection, and 10 (18.18%) have the problem of outdated equipment.

To find out whether there is any correlation between the sources of finance of the micro, small and medium entrepreneurs and their marketing problems, Chi-square test applied. The results presented below

Intended value	=43.6
Tablevalueat5percentlevel	=9.488
Degrees of freedom	=4

As the intended value is greater than the table value at 5 percent level, there is a relationship between the sources of finance of the micro, small and medium entrepreneurs and their marketing problems.



**TABLE11**  
**SIGNIFICANT DIFFERENCES INSATISFACTION OF MICRO, SMALLAND**  
**MEDIUM ENTREPRENEURS BASED ON SEX**

Marital Status	N	Mean	S.D	't' Value	Interpretation
Male	111	23.72	12.47	0.7313	Not Significant
Female	29	10.54	7.52		

Source: Computed from Primary Data

In order to find out the significant difference in satisfaction of micro, small and medium enterprises among the sample respondents based on sex, the 't' value was calculated, and the calculated 't' value was found to be 0.7313 which is lower than the table value 1.97 which is significant at 0.05 level. Therefore, the null hypothesis is accepted and concluded that there is no significant difference in satisfaction of micro, small and medium enterprises among the respondents between sexes.

## CONCLUSION

The micro, small and medium enterprises come across many problems, chiefly insufficient finance, absence of infrastructure, absence of managerial capability, insufficient market connection and outdated equipment, though running their business. To overawed these problems Government has to take distinctive inventiveness to implement group schemes through which could be educated to have more consciousness to grow Micro, Small and Medium Industries in Thoothukudi District.

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