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Marketing and Sickness in Micro and Small Enterprises in India: An Inter-State Analysis with Special Reference to the Engineering Enterprises in the District of Howrah, West Bengal

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Abstract

Micro and Small Enterprises (MSEs) [formerly Tiny and Small Scale Industries (SSIs)] are recognised as the main contributors in socio-economic advancement of any country especially the developing one like India. But due to some controllable and/or uncontrollable factors, MSEs cannot get themselves free from sickness. Sickness in MSEs expands its steps in all states in India amongst which West Bengal (WB) is specially notable mainly due to the continuous degradation of Micro and Small Engineering Enterprises of the then Birmingham/Sheffield of the East, Howrah. In WB, Howrah is considered to be the most incipient sickness-prone district for MSEs. Government effort to locate the probable causes of sickness of MSEs has exposed that in India, lack of demand of the product of MSEs in market is the most sever one, while in WB, marketing problem holds the maximum severity, followed by lack of demand which is also partially due to the marketing problem. The present paper aims at identifying how far the major responsible causes in marketing related area are liable in bringing about sickness in Micro and Small Engineering Enterprises.

Keyword: Micro and Small Enterprises, Engineering Enterprises, Sickness, Marketing, Howrah

Introduction

Micro and Small Enterprises (MSEs) [formerly Tiny and Small Scale Industries (SSIs)] are considered to be the most vibrant and dynamic sector of any country especially developing one like India. In India, as per the All India Fourth Census Report (2006-2007), MSEs ensure ₹ 608152.14 crore production, ₹ 56031.07 crore export promotion, 8758242 employment generation and ₹100605.25 crore gross value addition. Besides, the sector is well capable to curb unemployment and the resultant hazards of it like social unrest, tension, economic disparity etc.

But despite the outstanding socio-economic performance, the MSEs cannot get itself protected from sickness. Sickness in MSEs spreads its wings in all states and sectors of India, amongst which West Bengal (WB) is especially mentionable. WB has been experiencing a continuous deteriorating condition in this respect, mainly due to the unexplainable moribund condition of the engineering sector of the district of Howrah, formerly regarded as the Birmingham/Sheffield of the East which was structured mainly by the Micro and Small Light Engineering Enterprises. As per the Third Census Report, Howrah has held the maximum number of incipient sick SSIs[1] (20.17 percent) and second maximum number of sick SSIs[2] (15.62 percent) in WB.

All India Fourth Census Report (2006-2007) in this context has made its effort to locate the responsible causes of sickness of MSEs in India as well as all states. As per the report, in India, MSEs are arrested under sickness mainly due to lack of demand of the product

1 As the All India Fourth Census Report on the district-wise distribution of MSEs and sick MSEs has not yet been declared the data on Third Census Report has been used here. Then the Micro was included in SSI as tiny industry.

2 Ibid

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in market, while in WB, MSEs suffer mostly due to marketing problem, followed by lack of demand, shortage of need-based finance etc. Now, it is obvious that causes of sickness in units are different in different sectors and in different units under the same sector. Even the degree of responsibility of a cause in making a sector sick one may be different in different units of it.

In the present study, second section deals with the review of the related literature. Third and fourth sections exhibit the objectives and the methodology of the study respectively. Fifth section represents the results and discussion of the study. Sixth section highlights the conclusion and recommendations, and seventh section detects the limitations of the study.

Review of the Related Literature

Several eminent researchers have considered this field of study as their research area amongst which the present study takes the support of the below mentioned research works, reports etc.

The RBI declared the recent definitions of sick SEs, incipient sick SEs and sick viable SEs in its Chakraborty Committee Report (2007) and Kohli Committee Report (2002), while the early warning signals of the causes of sickness and the legislation for rehabilitation programme, to be followed by banks or other Financial Institutions (FIs) in reviving the sick viable MSEs were discussed in its different circulars. In its different census reports (Third (2001-2002) and Fourth (2006-2007)), Ministry of MSME (2006) disclosed the recent position of MSMEs and sick MSMEs in India. Garg (2007) in this regard emphasised on the primary issues under the new enactment MSMED Act, 2006. Mathur (1999) and later Desai (2006) have exclusively focused on the growing incidence of sickness in enterprises in India and identified the causes of sickness mainly in finance, marketing related areas through some diagnostic studies. Krishnamurthi (2002) has stated Government policies and assistance programme in different fields including marketing to develop MSEs in India. In the same line, Roy (2011) has pointed out the facilities which should be provided to MSEs in their promotion and development.

Though the responsibility of the marketing related causes have been studied in different times and in different dimensions, the degree of responsibility of the said causes in making the Micro and Small Engineering Enterprises of Howrah a sickness-prone one have not been studied before. In this backdrop, the present study attempts to detect the degree of responsibility of marketing related causes in Micro and Small Engineering Enterprises in the district of Howrah.

Objectives of the Study

The objectives of the present study are as follows:

(i) Detection of the responsible causes of sickness of Micro and Small Engineering Enterprises of Howrah in marketing related area,

(ii) Identification of the degree of responsibility of the marketing related causes in sickness in micro and Micro and Small Engineering Enterprises of Howrah, and

(iii) Recommendations of some remedial measures to get rid of the prevailing situation.

Methodology of the Study

The present study is predominantly a descriptive one with an intensive investigation and careful analysis. Beside the secondary sources, data of the present paper have also been collected through primary survey (January 2011 to September 2012) among 232 (93 Micro Enterprises (MEs) and 139 Small Enterprises (SEs) registered (2000-2001 to 2008-2009) urban Light Engineering units. The units have been detected as sick units as per the RBI's guidelines. The units have been selected randomly through simple random sampling method from total population of 318 units of the same category as registered in DIC, Howrah. The survey has been carried on in some specific localities like Baltikuri (21 units), Shealdanga (34 units), Ichhapur (26 units), Santragachhi (22 units), Benaras Road (18 units), Belgachhia (25 units), Dasnagar (21 units), Belilious Road (13 units), Kamardanga (25 units), and Kadamtala (27 units).

The sample units have been visited personally and information have been collected through interview and questionnaire. In the questionnaire, the entrepreneurs of the surveyed sample units were asked to specify the marketing related responsible causes of sickness of their units. Here, a 5 point rating scale (1 = not responsible at all, 2 = not very responsible, 3 = somewhat responsible, 4 = responsible and 5 = highly responsible) has been used

to detect the degree of responsibility of the marketing related causes in bringing about sickness in the concerned units in respect of different dimensions (Fig.1).

Now, to detect the responsible marketing related causes of sickness of the concerned units more firmly, the responses of the surveyed sample units on the 5 point rating scale have been summarised in three categories –

(i) Not Responsible (1)

(ii) Not Fully Responsible {Not Very Responsible (2) + Somewhat Responsible (3)} and

(iii) Fully Responsible {Responsible (4) + Highly Responsible (5)}.

Here, in order to generalise the inferences about population from the observations of the characteristics of sample units and to test the degree of association of the respective causes with the different dimensions (Fig.1), a non-parametric Chi-Square (χ^2) test has been undertaken in the present study following Snedecor and Irwin formula.

Snedecor and Irwin Formula of Chi-Square (χ^2):

$\mathbf{G^2 / C_1 C_2 [\{\sum (a_i^2/ R_i) - C_1^2 / G\}]}$ {Goulden, (Second Ed.)}

The formula used in the present study, with the change of notations, stands as follows.

$\chi^2 = \mathbf{T^2 / T_A T_B [\{\sum (a_i^2/ T_i) - T_A^2 / T\}]}$

Here, T (in place of G) = Total sick sample units, T_A (in place of C_1)= Total of Group A, T_B (in place of C_2) = Total of Group B, T_i (in place of R_i) = Total number of sample units in specific rank, a_i/T_i = Number of surveyed sample units in the specific ranking / corresponding total number of sample units. This formula has been used to test the hypothesis for degree of freedom (d.f.) 3 i.e. (no. of rows – 1).

Results and Discussions

MSEs and their Sickness in India – An Inter-State Analysis

In 2006, MSEs have got their fresh definition as given by the new enactment Micro, Small and Medium Enterprises Development (MSMED) Act. As per MSMED Act, MSEs should be defined based on the operation of the units – manufacturing and service rendering. The micro and small manufacturing enterprises should have investment in plant and machinery upto ₹25 lakh and within ₹25 lakh and ₹5crore respectively, while micro and small service rendering enterprises should have the maximum limit of investment in equipment of ₹10 lakh and within ₹10 lakh and ₹2 crore respectively.

The RBI's Chakraborty Committee has reframed the fresh definition of sick MSEs in 2007. As per the committe a unit may be said to have become sick, if any of its borrow accounts remains under non-performing asset (NPA) for atleast 3 months or if there is erosion in the net worth due to accumulated losses to the extent of 50 percent of its net worth, excepting the condition of willful mismanagement. A unit may be treated to have reached the stage of incipient sickness, if (i) there is delay in commencement of commercial production by more than six months for reasons beyond the control of the promotion which entails cost overrun, or (ii) the unit incurs losses for two years or cash loss for one year, beyond the accepted time frame on account of change in economic and fiscal policies, or (iii) the capacity utilisation is less than 50 percent of the projected level in terms of quantity or the sales are less than 50 percent of the projected level in terms of value during a year. As per the RBI's Kohli Committee Report (2002), a unit may be regarded as potentially viable if it would be in a position to pay back the relief package as provided by concerned authorities (banks, FIs, Government etc.) (has been spread over a period not exceeding five years), within 7 years from the implementation of the said package without any concessions.

MSEs spread in all states and regions in India, amongst which Tamil Nadu has held the maximum number of MSEs (233603 units), followed by Gujarat, Uttar Pradesh etc. and sick MSEs (7374 units), followed by Maharashtra, Kerala etc., while the highest number of incipient Sick MSEs has been found in Kerala (18401 units). WB here has been found within top eight states and top five states in the sick MSEs and incipient sick MSEs respectively. But the condition of the state has tremendously been deteriorating which makes it the most sickness-prone one for MSEs in India (Staff Reporter, 2010). Table 1reflects the position of MSEs in India, while Table 2 shows it for the sick and incipient sick MSEs in India.

Table 1: State/UT-wise Number of MSEs in India

States/ UTs	Number of MEs	Number of SEs	Number of MSEs
Jammu and Kashmir	13810	399	14209
Himachal Pradesh	11535	372	11907
Punjab	45346	2642	47988
Chandigarh	973	28	1001
Uttaranchal	23350	390	23740
Haryana	30729	2332	33061
New Delhi	3513	234	3747
Rajasthan	52265	2505	54770
Uttar Pradesh	184484	3059	187543
Bihar	49858	157	50015
Sikkim	111	12	123
Arunachal Pradesh	399	16	415
Nagaland	1298	33	1331
Manipur	4480	11	4491
Mizoram	3664	51	3715
Tripura	1297	43	1340
Meghalaya	2972	37	3009
Assam	18745	558	19303
West Bengal	41421	1751	43072
Jharkhand	17715	457	18172
Orissa	18844	739	19583
Chhattisgarh	21116	286	21402
Madhya Pradesh	105998	943	106941
Gujarat	196885	31684	228569
Daman and Diu	413	164	577
Dadra and Nagar Haveli	1671	45	1716
Maharashtra	75074	11291	86365
Andhra Pradesh	40450	2749	43199
Karnataka	133518	2559	136077
Goa	2395	203	2598
Lakshadweep	2	0	2
Kerala	1484798	1609	150107
TamilNadu	226268	7337	233603
Pondicherry	1275	164	1439
Andaman and Nicobar	737	14	751
All India	1481109	74874	1555983

Source: All India Fourth Census Report, 2006-2007. MEs = Micro Enterprises, SEs = Small Enterprises

Sickness in Micro and Small Engineering Enterprises of Howrah, WB – An In-depth Analysis

- **Ownership Pattern:** Sole Proprietorship (SP) has contained the maximum number of surveyed sample units followed by Partnership (Pt) and Private Limited Company (Pvt. Ltd. Co.). 54.74 percent of units have been detected as non-viable ones by Banks and Districts Industries Centre (DIC). Table 3 reflects the ownership patterns of the surveyed

Table 2: State/UT-wise Sick and Incipient Sick MSEs in India

States/ UTs	*Sick MSEs*(in no.)*	*Incipient MSEs**(in no.)*	*Sick/Incipient MSEs***(in no.)*
Jammu and Kashmir	972	504	1315
Himachal Pradesh	559	1513	1881
Punjab	2230	2304	3974
Chandigarh	27	10	35
Uttaranchal	873	1292	1893
Haryana	1751	1502	2764
New Delhi	127	412	496
Rajasthan	2946	2898	5304
Uttar Pradesh	5927	3797	8788
Bihar	1639	1784	2929
Sikkim	23	10	26
Arunachal Pradesh	57	19	68
Nagaland	68	25	87
Manipur	122	66	152
Mizoram	57	12	67
Tripura	78	69	132
Meghalaya	150	122	214
Assam	1400	1081	2036
West Bengal	2663	3018	4964
Jharkhand	691	570	1006
Orissa	2309	1484	3062
Chhattisgarh	868	752	1491
Madhya Pradesh	2063	1676	3086
Gujarat	1802	1073	2816
Daman and Diu	87	77	134
Dadra and Nagar Haveli	18	2	20
Maharashtra	6997	2732	8447
Andhra Pradesh	2910	2014	3970
Karnataka	3812	3682	6270
Goa	356	287	541
Lakshadweep	0	0	0
Kerala	6811	18401	21328
TamilNadu	7374	6854	11498
Pondicherry	127	287	362
Andaman and Nicobar	42	65	92
All India	57936	60394	101248

Source: All India Fourth Census Report, 2006-2007.

*Note: * Erosion of net worth by more than 50 percent or delay in repayment of institutional loan by more than 12 months;*

*** decline in gross output over three consecutive years;*

****erosion of net worth by more than 50 percent or delay in repayment of institutional loan by more than 12 months or decline in gross output over three consecutive years*

sample units[3].

- **Marketing Assistance and its Assessment:** The concerned units have taken marketing assistance from National Small Industries Corporation (NSIC) Ltd. for tender marketing, government purchase and price preference policy and from Micro, Small and Medium Enterprises Development Institution (MSME-DI) for participating in trade fare. In every area, the maximum number of units has not been found to be satisfied. Table 4 shows the number of units taking marketing assistance as provided by NSIC Ltd. and MSME-DI and the respective as-

3 Surveyed Sample Unit means Surveyed Sample Sick Running Units

Table 3: Ownership Patterns of the Surveyed Sample Units (no. of units)

Ownership Patterns	Viable Units as Identified			Non-Viable Units as Identified	Units Surveyed
	By Bank	By DIC	By both Bank and DIC		
SP	38	36	6	93	173
Pt	19	-	-	24	43
Pvt.	-	6	-	10	16
Total	57	42	6	127	232

Source: Primary Survey (January 2011 - September 2012)

Note: SP = Sole Proprietorship, Pt = Partnership, Pvt. = Private Limited Company, DIC = District Industries Centre.

Table 4: Marketing Assistance to the Surveyed Sample Units and its Assessment (no. of units)

Ownership Pattern	Units taking assistance	Assessment of the assistance by the Units				
		5	4	3	2	1
SP	17 (12 MSME-DI), (5 NSIC)	- -	-	2 (MSME-DI)	6 (4 MSME-DI) (2 NSIC)	9 (8 MSME-DI) (1 NSIC)
Pt.	14 (6 MSME-DI) (8 NSIC)	-	-	4 (3 MSME-DI) (1 NSIC)	8 (6 MSME-DI) (2 NSIC)	2 (1 MSME-DI) (1 NSIC)
Pvt.	9 (4 MSME-DI) (5 NSIC)	-	-	3 (2 MSME-DI) (1 NSIC)	6 (2 MSME-DI) (4 NSIC)	-
Total	40 (22 MSME-DI, 18 NSIC)	-	-	9 (7 MSME-DI) (2 NSIC)	20 (12 MSME-DI) (8 NSIC)	11(9 MSME-DI) (2 NSIC)

Source: Primary Survey (January 2011-September 2012) Note: 5 = More than sufficient, 4 = Sufficient, 3 = About to be sufficient, 2 = Little bit insufficient, 1 = Totally Insufficient. Figures in the parenthesis indicate number of assisted units.

sessment of their assistance as responded by the surveyed sample units.

- Responsible Causes of Sickness in Micro and Small Engineering Enterprises of Howrah, WB:

Under marketing related area, (a) unscientific product marketing, (b) poor quality of product, (c) irregular delivery, (d) lack of market research, and (e) poor public relation have been detected as the major responsible causes of sickness in respect of which at least 51 percent, i.e., majority of the concerned units have responded to fully responsible category i.e. 4 (responsible) and/or 5 (highly responsible) of the five-point rating scale. Table 5 reflects marketing related major responsible causes of

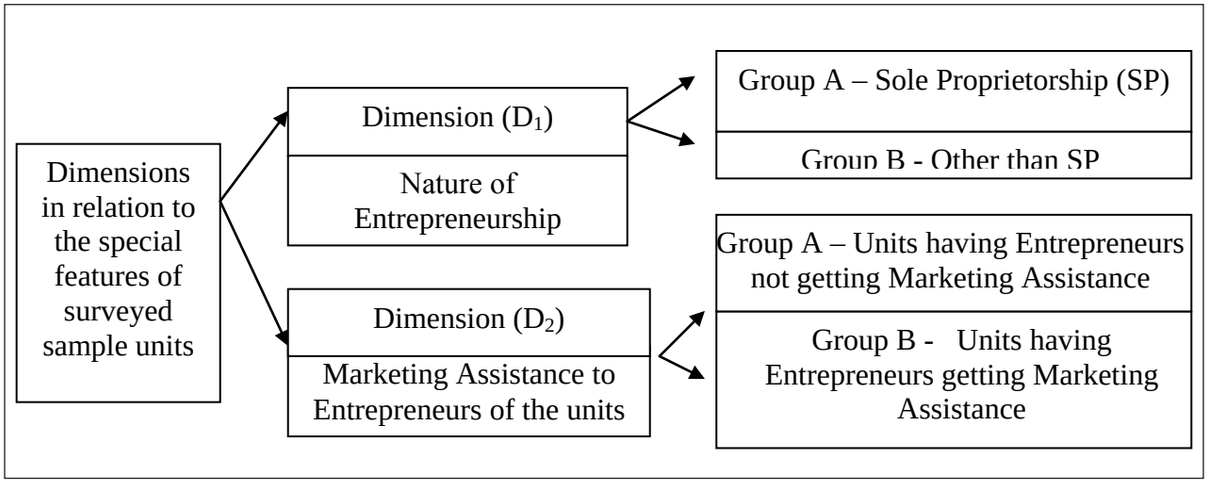
Table 5: Marketing related Responsible Causes of Sickness of Micro and Small Engineering units, Howrah

Causes of sickness	Not Responsible at all (1)	%	Not Fully Responsible			Fully Responsible		
			Not very responsible (2) (%)	Somewhat responsible (3) (%)	Total (2+3) (%)	Responsible (4) (%)	Highly Responsible (5) (%)	Total (4+5) (%)
Unscientific product marketing	0	0	41 (17.67)	64 (27.59)	105(45.26)	103 (44.40)	24 (10.34)	127 (54.74)
Poor quality of product	0	0	31 (13.36)	76 (32.76)	107(46.12)	89 (38.36)	36 (15.52)	125 (53.88)
Irregular delivery	0	0	8 (3.45)	91 (39.22)	99(42.67)	101 (43.53)	32 (13.79)	133 (57.33)
Lack of market research	3	1.29	2 (0.86)	49 (21.12)	51(21.98)	97 (41.81)	81 (34.91)	178 (76.72)
Poor public relation	24	10.34	18 (7.76)	62 (26.72)	80(34.48)	88 (37.93)	40 (17.24)	128 (55.17)

Source: Primary Survey (January 2011 - September 2012).

Note: Figure in parenthesis specifies the % of responding units (232) responded in the particular point of 5 point rating scale.

Fig. 1: Dimensions of the Study



sickness in 5 point rating scale.

As per Table 5, lack of market research has been found as the most responsible marketing related cause of sickness of the surveyed sample units. Here, about 77 percent of the concerned units have responded against this in the fully responsible category (4+5), while in other responsible causes of the very area (unscientific product marketing, poor quality of product, irregular delivery and poor public relation), about 54 percent to 57 percent of the surveyed sample units have been found to respond in the fully responsible category (4+5). In this context, it may be mentioned that, the responses of the concerned responding units from 2 point to 5 point of the rating scale (i.e., not very responsible, somewhat responsible, responsible and highly responsible) have been considered ignoring the responses to point 1 (not responsible at all) since it indicates the number of respondents not pointing out any of the causes as a responsible one.

The following hypotheses have been framed keeping in mind the two dimensions.

H_{01}: There is no significant association between the nature of entrepreneurship and the degree of responsibility of the major responsible causes of sickness in marketing related area in bringing about sickness in the Micro and Small Sick Engineering Enterprises.

H_{02}: There is no significant association between the marketing assistance to entrepreneurs of the units and the degree of responsibility of the major responsible causes of sickness in marketing related area in bringing about sickness in the Micro and Small Sick Engineering Enterprises.

The responses of the concerned units on the respective causes and the results of hypotheses testing for two dimensions (Nature of Entrepreneurship and Marketing Assistance to Entrepreneurs of the units) have been presented in Tables 6 and 7 respectively.

Interpretation of the results of Hypotheses Testing

Dimension 1 (D_1) - Nature of Entrepreneurship

In D_1, SP units have suffered more than the other group of units for unscientific product marketing, poor quality of product, and irregular delivery. It has been mainly due to the lack of manpower in marketing field and in administration of the concerned group of units. Moreover, the nominal strength of sole management with little scope and time to concentrate in diverse areas simultaneously, has made SP units unable to concentrate in quality upgradation of products which obviously has created marketing problem for the products for their sub-standardisation. Moreover, SP units might not be as systematic as the other group of units due to their lack of expertise in handling out different activities at a time for which they have not been able to concentrate in delivery of their product in time and due course. In poor public relation, units other than SP have suffered more than the other group of units might be due to their lack of professionalism. The units other than SP units, having manpower support, might be willing to relate with the market directly but their lack of professionalism made them more sufferer than the other

Dimension – 1: Nature of Entrepreneurship

Table 6: Responses of the Surveyed Sample Units on the Respective Marketing related Causes of Sickness and Results of Hypotheses Testing (H_{01})

Areas	*Causes*	*Not Fully Responsible*						*Fully Responsible*						*Result of χ^2*	*Comment1*
		D1 (i)			*D1 (ii)*			*D1 (i)*			*D1 (ii)*				
		2	*3*	*Total*	*2*	*3*	*Total*	*4*	*5*	*Total*	*4*	*5*	*Total*		
Marketing	Unscientific Product Marketing	14.45	21.97	36.42	27.12	44.07	71.19	49.71	13.87	63.58#	28.81	0	28.81	24.29	R (1%)*
	Poor Quality of Product	12.72	27.17	39.88	15.25	49.15	64.41	46.24	13.87	60.12#	15.25	20.34	35.59	18.90	R (1%)*
	Irregular Delivery	4.62	34.68	39.31	0	52.54	52.54	42.20	18.50	60.69#	47.46	0	47.46	17.50	R (1%)*
	Lack of Market Research	1.18	21.76	22.94	0	20.34	20.34	42.94	34.12	77.06	40.68	38.98	79.66	1.13	A (5%)
	Poor Public Relation	4.70	36.24	40.94	18.64	13.56	32.20	40.94	18.12	59.06	45.76	22.04	67.80#	17.32	R (1%)*

Note: [1] P value for 3 d.f. at 5 % level of significance is 7.81 and at 1 % level of significance is 11.34. The figure in parenthesis of Comment column shows the level of significance at which the hypothesis is accepted or rejected.

$D_{1\,(i)}$ = Sole Proprietorship, $D_{1\,(ii)}$ = Other than Sole Proprietorship R = Rejected, A = Accepted

Here, the percentage of units has been calculated on the total number of responding units (232) in fully and not fully responsible categories, omitting the point 1, as it has not reflected any percentage of responsibility of causes behind sickness of the concerned units.

**As calculated value of χ^2 is more than the critical value both at 5% and 1% level of significance, null hypothesis is rejected. Hence, it may be inferred that there is a significant association between Nature of Entrepreneurship and the cause lying under marketing related area in bringing about sickness in the respective units.*

#Group of units has suffered more than the other group of units

Dimension – 2: Marketing Assistance to Entrepreneurs

Table 7: Responses of the Surveyed Sample Units on the Respective Marketing related Causes of Sickness and Results of Hypotheses Testing (H_{02})

Areas	Causes	Not Fully Responsible						Fully Responsible						Result of χ^2	Comment[1]
		$D_{2\,(i)}$			$D_{2\,(ii)}$			$D_{2\,(i)}$			$D_{2\,(ii)}$				
		2	3	Total	2	3	Total	4	5	Total	4	5	Total		
Marketing	Unscientific Product Marketing	15.10	23.44	38.54	30.00	47.50	77.50	48.96	12.50	61.46#	22.50	0	22.50	21.31	R (1%)*
	Poor Quality of Product	10.94	32.81	43.75	25.00	32.50	57.50	30.00	12.50	42.50	40.10	16.15	56.25	6.04	A (5%)
	Irregular Delivery	3.65	30.21	33.85	2.50	82.50	85.00	52.60	13.54	66.15#	0	15.00	15.00	44.33	R (1%)*
	Lack of Market Research	1.03	24.10	25.13	0	5.88	5.88	37.95	36.92	74.87	67.65	26.47	94.12#	11.79	R (1%)*
	Poor Public Relation	5.78	27.75	33.53	22.86	40.00	62.86	50.87	15.61	66.47#	0	37.14	37.14	36.08	R (1%)*

Note: [1] P value for 3 d.f. at 5 % level of significance is 7.81 and at 1 % level of significance is 11.34. The figure in parenthesis of Comment column shows the level of significance at which the hypothesis is accepted or rejected.

$D_{2\,(i)}$ = Entrepreneurs not getting Marketing Assistance, $D_{2(ii)}$ = Entrepreneurs getting Marketing Assistance,

R = Rejected, A = Accepted

Here, the percentage of units has been calculated on the total number of responding units (232) in fully and not fully responsible categories, omitting the point 1, as it has not reflected any percentage of responsibility of causes behind sickness of the concerned units.

**As calculated value of χ^2 is more than the critical value both at 5% and 1% level of significance, null hypothesis is rejected. Hence, it may be inferred that there is a significant association between Marketing Assistance to Entrepreneurs and the cause lying under marketing related area in bringing about sickness in the respective units.*

#Group of units has suffered more than the other group of units

group of units, SP which generally has performed this activity through middlemen.

Dimension 2 (D_2) – Marketing Assistance to Entrepreneurs

Group of units having entrepreneurs not getting marketing assistance has suffered more than the other group of units for unscientific product marketing, irregular delivery, and poor public relation. Now, it is obvious that units having entrepreneurs not getting marketing assistance might not have the required expertise knowledge to perform the functional activities efficiently and successfully and so they have suffered due to the respective causes more than the other group of units who have somehow been able to keep the problems under control. But surprisingly, the units having entrepreneurs getting marketing assistance have faced trouble for lack of market research more than the other group might be due to the level of mismatching in between actual and expected institutional assistance and probably for the impractical application of the assistance in practice by the units.

Conclusion and Recommendations

Howrah, for the outstanding performance of its micro and small engineering enterprises, was recognised as the most promising industrial belt of WB and of India as well. But the constant deterioration of the performance of the concerned enterprises forces Indian economy to consider the same as the worthless engineering cluster of the country. Shockingly enough, it has been found in the current primary survey that more than 83 per cent of the total surveyed sample units have not even believed the possibility of recovering of the said units from the present moribund condition.

Now, to cover up the loopholes and to upgrade the efficiency of the concerned sector, Government through its authoritative institutions, has announced several promotional package policies. But due to the inadequate need-based level of assistance of the institutions and sometimes for the inappropriate application of the same in practical field by the assisted enterprises, the promotional assistance programme has been found as inefficient in assisting the units as per their expectations and requirements.

The survey result has proved the fact that the units are outdated to promote scientific marketing research programme to estimate the market demand of the products and to make the products capable enough to fight against the strong market competition. For all these conditions, the respective sector of Howrah has to face a dissatisfactory level of demand of its products even in local market.

Besides, the concerned units were not efficient enough to chalk out the marketing related planning which can help the units to achieve their marketing related goal and can overcome the problems of the said field also. Now, somehow to resolve the prevailing situation, some recommendations may be offered to the connected parties as follows.

The Government may (i) form a Central – State Coordination Committee which would act as a liaison between the Central and the State Government and facilitate proper implementation of the marketing related promotional package as declared by the MSMED Act, (ii) introduce a common communication cell and grievance redressal cell and build up an area-wise and sector-specific storage facilities of raw material for MSEs, (iii) develop infrastructural facilities–road, transportation, power, fuel etc., particularly in the rural area, (iv) publish a special industrial bulletin, containing all the necessary information about the present inflation rate, bank interest rate, changes in national and international economic environment, rules, regulations, relaxation and facilities available for MSEs, (v) organise seminars, workshops, and conferences in different parts of the state at regular intervals to make the entrepreneurs aware of the recent sector-specific marketing trend and growth of enterprises and also the way of operating their units successfully.

The assisting institutions may (i) help the entrepreneurs in assessing the need for appropriate marketing assistance and organise training programmes accordingly, (ii) organise public seminars, workshops and awareness/orientation programmes periodically for MSEs in marketing related area, (iii) ensure more national and international fare, exhibition to expose the products of the said sectors in public, (iv) train up the assisted units to fix up competitive prices through market survey.

The financial institutions may (i) offer suggestions to the specific units to measure the financial requirement in marketing field and introduce need-based financial support in this respect, (ii) build up a strict monitoring cell in each head office to ensure the repayment capacity of the

benefiting units.

The entrepreneurs/owners of the units should (i) emphasise on demand forecasting with the help of market research organisation in order to estimate demand for their products correctly, (ii) manufacture the products which have its demand in the market and reduce undesirable piling up of unsold inventory.

Therefore, a silver lining in the dark cloud thickened over the Micro and Small Engineering Enterprises, Howrah may be visualised if all the ends fulfill their responsibility as per norm and safeguard the said sector from being sick mainly for the mismanagement in marketing related area.

Limitations of the Study

The limitations of the present study are mentioned as below.

- Only registered and urban MSEs belonging to the Light Engineering sector have been selected for primary survey, keeping in mind the time and resource constraints.
- Information necessary for the study have been collected administering questionnaire among the entrepreneurs of the sample units. The authenticity of such information cannot be verified due to non-availability of any written documents relating to such information.

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