

Marketing Problems Encountered by First Generation Entrepreneurs - A Study with Reference to Madurai in Tamilnadu

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Abstract

Many entrepreneurs manage the take-off stage and fall sick later on. It is also not uncommon that many small scale industrial units after a successful running for so many years may also fall sick due to a sudden competition, non-availability of incentives and concessions and lack of financial and marketing support. Many industrial units, which are apparently healthy, may be within the area of sickness if they are subjected to critical evaluation by supplying certain yardsticks, which tend to measure the financial soundness. The main objective of the study is based on the marketing and location problems encountered by the first generation entrepreneurs. The primary data have been collected from the respondents directly for the period of study is impounded to one year. An attempt has been made to identify the factors which influenced the first generation entrepreneurs to identify their skills. The Subsidies, tax concession, relaxation of norms, may be introduced to new/first generation entrepreneurs. With this solution the problem of first generation entrepreneurs will not come to an end. It is a vibrant and hence an eternal follow-up actions according to the prevailing environment is also to be taken or otherwise the present prevailing condition of the small scale industries, operated by the first generation entrepreneurs will be an incessant one, not only in Madurai city but also everywhere in India.

Keywords: Entrepreneurs; Raw material; Quality; Expansion; Location and marketing

Introduction

As the First Generation Entrepreneurs do not have previous industrial experience, they carry on their industrial activities on trial and error basis involving wastage of time and energy, and material resources [1]. It is evident from the experience of many first generation entrepreneurs that they fall sick in the take-off stage itself. Many entrepreneurs manage the take-off stage and fall sick later on. It is also not uncommon that many small scale industrial units after a successful running for so many years may also fall sick due to a sudden competition, non-availability of incentives and concessions and lack of financial and marketing support. Many industrial units, which are apparently healthy, may be within the area of sickness if they are subjected to critical evaluation by supplying certain yardsticks, which tend to measure the financial soundness [2].

Objectives of the Study

The main objectives of the present study are the following:

To marketing and location problems encountered by the first generation entrepreneurs in small scale industry in Madurai city.

To offer the summary of findings, suggestions and conclusion on the study of first generation entrepreneurs.

Period of Study

The present study is based on the primary. The primary data have been collected from the respondents directly for the period of study is impounded to one year. (i.e., 2015-2016)

Collection of Data

The present study covers both primary data. The required primary data were collected through structured questionnaire.

Framework of Analysis

In this section, an attempt has been made to identify the factors

which influenced the first generation entrepreneurs to identify their skills. For this, 12 statements relating to the location for the success of the business of the first generation entrepreneurs have been selected to identify the significant dimensions of the factors, with the help of factor analytical technique [3].

In the present study, the principal factor analysis method with orthogonal varimax rotation is used to identify the factors influencing the overall skills and ability of the entrepreneurs in the study area [4].

Factor analysis was done with 12 variables (OPINION) Orthogonal Varimax Rotation for the opinion of the respondents (sample first generation entrepreneurs) towards the location for the enterprise of the respondents have an impact on their behavioural attitudes in the study area [5].

The rotated factor matrix for the variables relating to the Locational advantages and entrepreneurship attitude of the respondents in the study is given as follows.

From Table 1, it is observed that the first factor is designed as "RAW MATERIAL CENTERED" on the basis of the loaded variables. In the first factor three variables in this category are significant with high factor loading. It indicates that among the various performance scales, 'Location - Raw Material access', 'Location - Prestige to owner' and 'Location - Dumping of fund in waste' are important attributes in this category. Thus, "RAW MATERIAL CENTERED" is identified as

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Sl. No.	Opinion Variables	Rotated Factor Loadings				h ²
		F1	F2	F3	F4	
1.	Location – Raw Material access	.99422	.01687	-.00694	-.07110	.99386
2.	Location – Prestige to owner	.98249	.00206	.01961	-.07324	.97103
3.	Location – Dumping of fund in waste	.97472	.03076	-.03256	-.06681	.95654
4.	Location – Main factor	-.00835	.95963	.04488	-.07348	.92836
5.	Location next – Quality First	-.00835	.95963	.04488	-.07348	.92836
6.	Location – City access	-.00791	.38731	-.22881	.30238	.29387
7.	Location – at cheap land	-.18621	-.14462	-.69887	.09638	.55329
8.	Location – brings apt labours	-.20142	-.06278	.69810	.34168	.64860
9.	Location – Future Growth aspect	.00700	-.10803	.66423	-.03589	.45420
10.	Location – No significance	.20696	.35334	-.35526	-.04333	.29577
11.	Location – Control the costs	-.10904	-.22578	-.11053	.80482	.72282
12.	Location – business – no relation	-.05886	.17926	.42071	.68375	.68011
	Eigen values	3.2025	2.2133	1.8627	1.1482	
	Percentage of variation	26.7	18.4	15.5	9.6	
	Cumulative percentage	28.7	45.1	60.7	70.2	

Table 1: Rotated factor matrixes for the locational advantages to start enterprise.

an important factor to influence the entrepreneur to face problems in bringing the raw material in Madurai city [6].

The second factor is narrated as “COMPROMISE WITH QUALITY” on the basis of the loaded variables. Two variables in this category are important with high factor loading. It indicates that among the various performance scales, ‘Location – Main factor’, ‘Location next – Quality First’ and ‘Location – City accesses’, are important attributes in this category. Thus, it is indicating entrepreneurs to maintain quality in the production or services rather than finding a location such things will protect the enterprise and the Locational advantages factors will not affect the first generation entrepreneurs in the study area.

The third factor is identified as “EXPANSION BASED”, on the basis of the loaded variables. Three variables in this category are important with high factor loading. It indicates that among the various performance scales, ‘Location – at cheap land’, ‘Location – brings apt labours’, ‘Location – Future Growth aspect’ and ‘Location – No significance’ are important attributes in this category. Thus, the “EXPANSION BASED” influences the first generation entrepreneurs to prefer the location to do entrepreneurial activities, is identified by the researcher in the study area

The fourth factor is identified as “LOCATION LEAST FACTOR”, on the basis of the loaded variables. Only one variable in this category is playing significant role with high factor loading. It indicates that among the various performance scales, ‘Location – Control the costs’ and ‘Location – business – no relation’ are the important attribute in this category. Thus, the “LOCATION LEAST FACTOR” influences the first generation entrepreneurs to get into business and it is identified by the researcher in the study area.

It is concluded from the above factor analysis that the following factors are identified to influence the first generation entrepreneurs with reference to the Locational advantages in the study area:

1. Raw Material Centered
2. Compromise with Quality
3. Expansion Based
4. Location Least Factor

In the present study, the principal factor analysis method with

orthogonal varimax rotation is used to identify the factors influencing the overall skills and ability of the entrepreneurs in the study area.

Factor analysis was done with 12 variables (OPINION) Orthogonal Varimax Rotation for the opinion of the respondents (sample first generation entrepreneurs) towards the marketing problems faced by the first generation entrepreneurs, have an impact on their behavioural attitudes in the study area.

The rotated factor matrix for the variables relating to the Marketing problems and entrepreneurship attitude of the respondents in the study is given as follows.

From Table 2, it is observed that the first factor is designed as “EASY MARKETING” on the basis of the loaded variables. In the first factor six variables in this category are significant with high factor loading. It indicates that among the various performance scales, ‘Problem-less Marketing’, ‘Transformation to idle due to poor marketing’, ‘Marketing personnel problems’, ‘Involves with high advertisement cost’, ‘Tough competition with large, MNC’ and ‘Exclusive market for SMEs’ are important attributes in this category. Thus, “EASY MARKETING” is required as an important factor to influence the first generation entrepreneurs to face problems in marketing their commodities/ services for their success, in Madurai city.

The second factor is narrated as “MARKETING KNOWLEDGE” on the basis of the loaded variables. Four variables in this category are important with high factor loading. It indicates that among the various performance scales, ‘Lack of Marketing Management Knowledge’, ‘Poor marketing strategy’, ‘Lack of Govt. support to FGE’ and ‘Extra attraction to push’ are important attributes in this category. Thus, it is indicating that entrepreneur maintains quality in the production or service with the help of the labourers, but he finds problem in search of knowledge, to market his commodity - which influences the first generation entrepreneurs in the study area.

The third factor is identified as “MARKET COMPETENCY”, on the basis of the loaded variables. Two variables in this category are important with high factor loading. It indicates that among the various performance scales, ‘Brand variety’ and ‘Retail/Rural marketing by large, MNCs’ are important attributes in this category. Thus, the “MARKET COMPETENCY” which influences the first generation entrepreneurs, is identified by the researcher in the study area.

Sl. No.	Opinion Variables	Rotated Factor Loadings			h ²
		F1	F2	F3	
1.	Problem-less Marketing	.94212	-.24566	-.11555	.96130
2.	Transformation to idle due to poor marketing	.94212	-.24566	-.11555	.96130
3.	Marketing personnel problems	.92402	-.20884	-.10534	.90652
4.	Involves with high advertisement cost	.92402	-.20884	-.10534	.90852
5.	Tough competition with large, MNC	.91721	-.20305	-.10831	.89423
6.	Exclusive market for SMEs	.91721	-.20305	-.10831	.89423
7.	Lack of Marketing Management Knowledge	-.37584	.86186	.06456	.88823
8.	Poor marketing strategy	-.37584	.86186	.06456	.88823
9.	Lack of Govt. support to FGE	-.13989	.81028	.42953	.86061
10.	Extra attraction is required to push	-.13989	.81028	.42953	.86061
11.	Brand variety	-.14116	.23187	.94938	.97502
12.	Retail/Rural marketing by large, MNCs	-.14116	.23187	.94938	.97502
	Eigen values	7.33718	2.45146	1.18716	
	Percentage of variation	61.1	20.4	9.9	
	Cumulative percentage	61.1	81.6	91.5	

Table 2: Rotated factor matrixes for the marketing problems faced by the respondents.

It is concluded from the above factor analysis that the following factors are identified to influence the first generation entrepreneurs with reference to the Locational advantages in the study area:

1. Easy Marketing
2. Marketing Knowledge
3. Market Competency

Suggestions

Subsidies, tax concession, relaxation of norms, may be introduced to new/first generation entrepreneurs. Financial assistances may be approved against the educational certificates to the first generation/new entrepreneurs to motivate them by and large.

In the name of first generation entrepreneurs many existing entrepreneurs have availed benefits under the Prime Minister's Employment Guarantee Plan for record achievement (target) purpose by the government officials and this situation is to be totally eradicated by replacing a totally new system to monitor such organisations to execute their nurturing activity towards new/first generation entrepreneurs not only for the welfare of the individuals but also for the welfare of the nation.

Institution and Industry tie-up is to be insisted more for all educational institutions and industries to highlight the entrepreneurship culture for a better tomorrow.

Exclusive market for the products of the new/first generation entrepreneurs may be synthesized if not the government can come forward to market the commodities of new/first generation entrepreneurs.

Conclusion

India is one of the most developing countries in Asia amidst the world wide economic crisis. The only strength and weakness of the nation is its population. In an optimistic way the government has taken the steps to make use of the human resources to the development of the economy of the nation. The fostering of entrepreneurial culture in the minds of budding Indians through education, imparting knowledge which should be blended with technical support will give a prolific result particularly to solve the unemployment programme. The internal motivating factors like education, experience, desire to

work independently together make the personality of the entrepreneur. These factors generate penchant to adopt entrepreneurial activity.

These factors have been identified as influencing factors among the first generation entrepreneurs in the study area. It is concluded that from the analysis, it is evident that a vast majority of the new entrepreneurial class was prompted to enter industry mainly because of these factors: first, they had a strong desire to do something independent in life; second, they possessed technical knowledge or trading or manufacturing experience in the same or related line and third, governmental and institutional assistance became available to those.

Hence, this endeavor has been made by the researcher to strengthen the fresh/first generation entrepreneurs by extending the supporting hands from the State and as well as Central Governments. Besides that the rapport action is also essential to watch out units run by the first generation entrepreneurs to safeguard them from the evils of the problems discussed earlier. With this solution the problem of first generation entrepreneurs will not come to an end. It is a vibrant and hence an eternal follow-up actions according to the prevailing environment is also to be taken or otherwise the present prevailing condition of the small scale industries, operated by the first generation entrepreneurs will be an incessant one, not only in Madurai city but also everywhere in India.

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