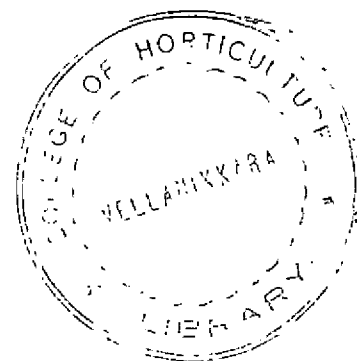


A COMPARATIVE STUDY OF MARKETING STRATEGIES OF CO-OPERATIVE, PUBLIC AND PRIVATE SECTOR UNITS IN HANDLOOM INDUSTRY IN KERALA

BY
K. I. XAVIER



THESIS

Submitted in partial fulfilment of the
requirement for the degree

MASTER OF SCIENCE IN CO-OPERATION AND BANKING
(RURAL MARKETING MANAGEMENT)

Faculty of Agriculture
Kerala Agricultural University

COLLEGE OF CO-OPERATION AND BANKING

Mannuthy - Trichur

1989



DECLARATION

I hereby declare that this thesis entitled "A Comparative Study of Marketing Strategies of Co-operative, Public and Private Sector Units in Handloom Industry in Kerala" is a bonafide record of research work done by me during the course of research and that the thesis has not previously formed the basis for the award to me of any degree, diploma, associateship, fellowship or other similar title of any other University or Society.

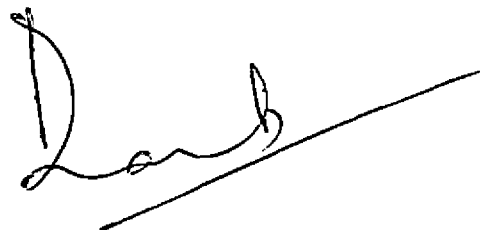
Mannuthy,
22-7-1989



XAVIER, K.I.

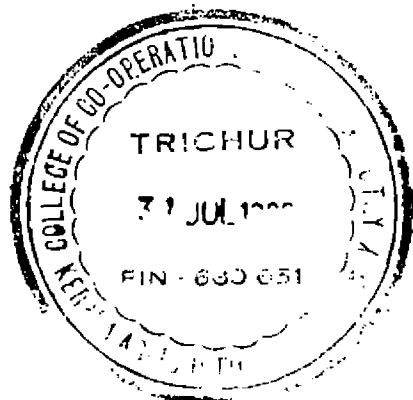
CERTIFICATE

Certified that this thesis entitled "A Comparative Study of Marketing Strategies of Co-operative, Public and Private Sector Units in Handloom Industry in Kerala" is a record of research work done independently by Shri.Xavier, K.I. under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associateship to him.



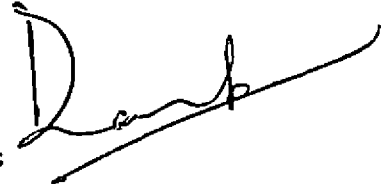
Dr. H. Rajan Nair,
Chairman,
Advisory Committee
Associate Professor,
Department of Co-operative
Management and Accounting,
College of Co-operation
and Banking, Mannuthy.

Mannuthy,
22-7-1989

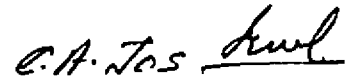


Approved by:

Chairman: Dr.N.Rajan Nair,
Associate Professor,
College of Co-operation &
Banking, Mannuthy.



Members: 1. Dr.G.A.Jos,
Associate Dean,
College of Co-operation &
Banking, Mannuthy



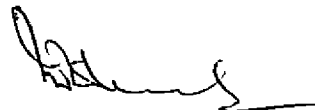
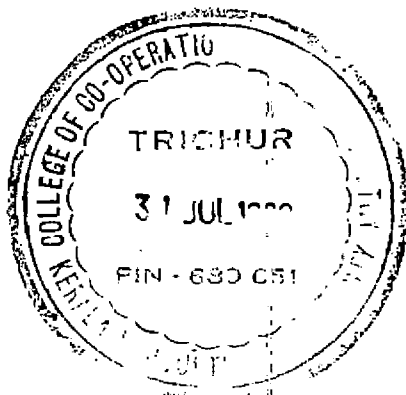
2. Sri.P.C.Mathew,
Associate Professor,
College of Co-operation &
Banking, Mannuthy.



3. Sri.N.Ravindranathan,
Associate Professor,
College of Co-operation &
Banking, Mannuthy.



External Examiner:

ACKNOWLEDGEMENT

I am most grateful to the Kerala Agricultural University for having given me a junior research fellowship in Rural Marketing Management without which I could not have undertaken the present research.

Dr.N.Rajan Nair, Associate Professor, Department of Co-operative Management and Accounting guided the preparation of this study. I express my deep sense of gratitude to him for stimulating and unstinted support.

Dr.C.A.Jos, Associate Dean, College of Co-operation and Banking offered valuable comments. Sri.P.C.Mathew, Associate Professor has also gone through the study and suggested some important corrections. Sri.N.Raveendranathan, Associate Professor has given me sound guidance for the statistical analysis. I am immensely thankful to each of them.

I also thank Sri.M.Mohandas, Associate Professor who offered me the initial guidance. My heartfelt thanks are also due to Sri.K.P.Mani who helped me through the application of sociological research tools. I thank Sri. Sukumaran and Sri. Philip Sabu, Assistant Professors for their valuable suggestions.

I owe a great deal to Sri.Viswanathan Nair and the other staff members of the Computer Centre, KAU, Vellanikkara.

I can not forget discussions held with the General Manager (Hantex), Sri.A.K.Haridas, Marketing Manager (Hantex), Sri.Chitambaram, Deputy Marketing Manager (Hantex), Sri.Paul, Manager of Hantex International, Sri.Vinoo, Finance Manager (Hantex), Sri.Varadharajan (B.Com), Owner of Kerala Saree House, Trivandrum, Sri.Padmanabhan, Wholesale dealer in handloom, Balaramapuram, Sri.Somasundaram, owner of S.S.Tex, Balaramapuram, Sri.Rajappan Pillai, Manager of Karalkada, Trivandrum, Managing Director of Excelsior Handloom, Cannanore, Owner of Great Indian Textiles, Cannanore, Managing Partner of Swadeshi International, Cannanore, Proprietor of Ramananda Textiles, Cannanore, Sri.D.Krishna Prasad, Marketing Manager AIHFMCs (Sub Office) Cannanore, Sri.K. Venu-gopalan, Deputy Manager of HHBC and the Regional Officer, Textile Committee, Cannanore Chapter. They were very much helpful in providing me with necessary data. I am thankful to all of them.

Special thanks are due to the subordinate staff of Hantex and Hanveev.

I am also grateful to Sri.Santoshkumar, E.R., Sri.Sunil C.N., Sri.Mohan, K., Sri. Suresh K.K., Sri.Ramakrishnan,

Table of Contents

<u>Chapter</u>	<u>Title</u>	<u>Page No.</u>
I.	Introduction	1 - 9
II.	Review of Literature	10 - 23
III.	Methodology	24 - 32
IV.	The Marketing System of Handloom Product in Kerala	33 - 71
V.	Results and Discussion	72 - 127
VI.	Summary	128 - 138
	References	
	Appendices	
	Abstract	

Sri. Kurian, Sri. Haneefa, Miss. Ceena Jose P.,
Miss. Anita Paul, Mrs. Sreelatha who have helped me
in the Consumer Survey.

I extend my sincere gratitude to the Secretaries
of Handloom Societies selected for the study and the
staff of the Directorate of Handlooms, Trivandrum.

I am greatly indebted to Toney Joseph, Mrs. Renuka,
Miss. Indira P., Rajan, Kunchu, V. and Saji for their
help and assistance during the course of the study and
preparation of the thesis.

My sincere gratitude is also due to my family
members for their moral support. Profound apprecia-
tion is to Sri. V.T. Kurian for executing the typing
of the thesis.

Mannuthy,
22-7-1980



K.I. XAVIER

Table of Contents

<u>Chapter</u>	<u>Title</u>	<u>Page No.</u>
I.	Introduction	1 - 9
II.	Review of Literature	10 - 23
III.	Methodology	24 - 32
IV.	The Marketing System of Handloom Product in Kerala	33 - 71
V.	Results and Discussion	72 - 127
VI.	Summary	128 - 138
	References	
	Appendices	
	Abstract	

List of Tables

S1. No.	Table No.	Title	Page No.
1.	4.1	The total production of primary handloom Societies and the procurement of Hantex	36
2.	4.2.	Production of hank-yarn by Spinning Mills of Kerala	40
3.	4.3.	Trend of yarn price	42
4.	4.4.	Availability and mill consumption of Cotton	44
5.	4.5.	Index Numbers of wholesale prices	46
6.	4.6.	Wage rate for selected standard items	48
7.	4.7.	Census of Kerala: 1901-1981	54
8.	4.8.	Per capita consumption of all Textiles at different Income levels - All India	55
9.	4.9.	Per capita Household consumption of major items of Textiles in different areas	57
10.	4.10.	Indices of growth in urban population of Kerala state - Districtwise: 1901-1981	59
11.	4.11.	Progress in Rural population in the State of Kerala: 1901-1981	61

12.	4.12.	Density of Population in Kerala: 1901-1981	61
13.	4.13.	Gross National Product and Net National Product	63
14.	4.14.	Per capita Income of different States	64
15.	4.15.	Index Numbers of wholesale prices	66
16.	5.1.	Design Introduction in Cotton Shirtings	75
17.	5.2.	Design Introduction in Furnishings	76
18.	5.3.	Price fluctuation of double dhoties	80
19.	5.4.	Price fluctuation in Matching sets	81
20.	5.5.	Price fluctuation of Kailes	82
21.	5.6.	Price fluctuation of Thorthu	83
22.	5.7.	Inventories of final goods	88
23.	5.8.	Promotion Expenditure	90
24.	5.9.	Sales volume of Sample units	93
25.	5.10.	Sales performance of Hanveev - Channel-wise	95
26.	5.11.	Sales performance during the rebate season	96
27.	5.12.	Credit sales	98
28.	5.13.	Exhibition Sale	99

29.	5.14.	Government purchase	100
30.	5.15.	Export Trade	102
31.	5.16.	Likert 't' value of the statements with regard to the product	104
32.	5.17.	Product complaints	106
33.	5.18.	Likert 't' value of price element	108
34.	5.19.	Likert 't' values for promotion aspect	111
35.	5.20.	Institutional Brand awareness of Handloom apex Societies and Corporations	112
36.	5.21.	Product Brand awareness of nationally reputed brands	114
37.	5.22.	Product brand awareness of region-wise handloom products of Kerala	115
38.	5.23.	Influence of promotion tools on purchase decision	117
39.	5.24.	Influence of Mass-media on the purchase decision of cloth	118
40.	5.25.	The Likert 't' values for customer service and furnishing of show rooms	120
41.	5.26.	Margin for double dhoti (60 _g x 60 _g) under different marketing channels	125

List of Chart

Page No.

Fig. 4.1. Profitability Ratios

51

List of Appendices

Sl.No.	Title
I.	Production of woven Fabrics from cotton, man-made fibres and blends thereof - sector wise in India.
II.	Export of Cotton Textiles: Calender year basis.
III.	Statwise distribution of looms in Co-operative sector as on 30.6.1982.
IV.	District wise distribution of looms - 1984
V.	Organisation schedule
VI.	Consumer Survey Schedule
VII.	Profile of the Consumers Surveyed

Introduction

CHAPTER I
INTRODUCTION

1.1. The handloom craft has been one of the ancient and tradition bound occupation as far as India is concerned. This is evident from the references made profusely in the Vedas, the Puranas and the chronicles of envoys and travellers who had come to India. Indian textiles, found their way to Greece, Rome, East Asia and Indonesian Archipelago. The Banaras brocades, Rajasthani handhanis, kalamkaris fabrics of Andhra, hinroo weaving of Moghul period and jamaiwar weaving of ancient Kashmir were renowned for their rustic charm and sophistication. The handloom industry has a history of rises and upheavals often converging into crisis and occasionally diverging into new styles, processes and patterns.

The rich cultural heritage and past glory of the handloom industry might be the reason why it still occupies a dominant place in the Indian economy. Its contribution to the total output of fabrics, provision of employment and share of contribution to the export have accorded a unique role to the industry in the economy.

In 1970 nearly 53 per cent of the fabrics came out of the decentralised sector. The share increased to 62 per cent in 1980. In 1985, its share of contribution to the total production of fabrics accounted for 73 per cent. Out of the aggregate production of textiles at the end of 1989-90, the share of decentralised sector is estimated to be 68.96 per cent (See Appendix I).

The role of handloom industry in the export trade is an attestation to the capability of the industry in opening up of new vistas. In 1966, its share in the export business was Rs 8.40 crores accounting for 10.64 per cent of the total export earnings from the fabrics. It had risen to Rs 109.49 crores in 1977 which constituted 18.07 per cent of total fabrics export. By 1985 though the share of the handloom fabrics in export increased in absolute terms amounting to Rs 168.89 crores, its percentage share however, declined to 11.12 per cent (Appendix II).

Being a decentralised industry the employment potential of handloom industry is worth mentioning. The Economic Service (1986) revealed that during 1984-85 the employment in handloom sector increased from 61.50 lakh persons to 74.66 lakh persons. During the Seventh Plan the additional employment to be generated is estimated at 23.47 lakh persons.

The handloom industry has been playing a crucial role in the economy of Kerala too. Among the traditional industries of Kerala, handloom industry occupies a second place. It comes next to the coir industry. Kerala has ranked tenth in respect of the number of looms according to the Handloom Census, 1982 (Appendix III). In 1986, they altogether produced 83.06 million meters of cloth. Further, Kerala's share in the all India production of handloom came to 12 per cent. The handloom industry in Kerala contributed one third of the total value of handloom exports. The handloom industry provided employment to more than two lakhs of Kerala population accounting for 22 per cent of non-agricultural labour force. The industry is mainly concentrated at Trivandrum and Cannanore districts (For district-wise distribution of looms, see Appendix IV).

1.2. Objectives of study.

The study has been undertaken with the following objectives.

1. To make an assessment of relative impact of different marketing strategies followed by the Kerala State Handloom Weavers' Co-operative Society Ltd. (Hantex), the Kerala State Handloom Development Corporation (Hanveev) and private sector firms.

2. To assess relative merits and demerits of marketing strategies of the Kerala State Handloom Weavers' Co-operative Society (Hantex), the Kerala State Handloom Development Corporation (Hanveev) and private sector firms.

3. To assess the price-spread under different marketing systems with special reference to specific marketing channels.

1.3. Scope of the study.

Being a traditional industry with its innate rural nature, the handloom industry has attracted the attention of the policy makers from time to time owing to variety of reasons. They may be listed as follows:

1. Capital blight
2. Shorter gestation period
3. Labour intensive
4. Minimum requirements of managerial and supervisory skill
5. Dispersal of savings and development of rural entrepreneurship
6. Optimal use of local resources
7. Balanced growth in the economy
8. Prevention of rural exodus

9. Provision of a subsidiary occupation to the agricultural labourers.

These facts have particular relevance in the context of developing nations where there is scarcity of resources and abundance of labour which lead to various economic and social evils. Nevertheless, small and cottage industry like handloom is not likely to offer its full contribution to economic growth unless appropriate measures are taken to overcome many a disadvantage particularly that of the size. The various measures adopted by the state may broadly be classified into three:

1.3.1. Institutional measures

These measures are designed to overcome the structural limitation like the smallness in size. It causes diseconomies of scale in assembling of raw materials and the sale of the finished products. To avert this, the state government has set up the Kerala State Handloom Weavers' Co-operative Society Ltd.(1961) and the Kerala State Handloom Development Corporation Ltd. (1968).

1.3.2. Financial measures

In order to strengthen the financial base, the government has extended the refinance facilities to handloom units. As a measure to popularise the handloom

items, the government allows subsidy by way of rebate and 'janata cloth scheme'.

1.3.3. Protectional measures

The protectional measures are mainly meant for saving the industry from the vagaries of competition. These measures include the reservation of certain varieties to be exclusively produced in the handloom sector and the direction to the government Department, to purchase their requirements from the handloom sector.

There are few studies probing into the effectiveness of various government measures and the comparative performance of the institutions which are formed to overcome the disadvantages due to smallness. There are a number of studies explaining the status of the industry, its latent problems in the field of adoption of better technology, production and marketing. However, it appears that a specific study relating to the efforts of the handloom firms to market their products and the impact of such efforts in making the customers' attitude favourable to handloom products has not been done. The present study is designed to understand the effectiveness of various marketing strategies adopted by different organisations and their relative merits and demerits. It is

also intended to examine the producers' share in the customers' price. The study has also made an attempt to measure the perception of customers towards the handloom products.

1.4. Limitations of the study

The study is based on the data collected from three different sets of organisations whose records were not kept in uniform manner. The accounts and annual reports were not made up-to-date by the sample units barring the Hantex. The details collected from private traders also can not be stated to be complete and perfect as many of them are reluctant to provide all details needed for reasons of their own. These difficulties and deficiencies might have influenced the fineness of the calculations on price-spread. The regional differences in the product mix and quality have also posed problems in setting standard varieties for comparison and factors influencing the preference of consumers towards handloom products.

Since the firms under study have not practised the marketing strategies on a scientific basis, the measurement of the effectiveness of various promotion tools like advertisement, publicity, personal selling,

sales promotion etc. could not be assessed with the help of modern measuring techniques such as direct ratings, portfolio tests, recall tests, recognition test, exposure tests and so on. The use of many a promotion tool simultaneously has exacerbated the problem. Hence the segregation of results of each promotional tool and achieving a fair degree of exactitude have become difficult. In order to tide over these limitations, an attempt has been made to measure the consumers' attitude towards the handloom products and the marketing strategies of these firms with the help of summated ratings Likert method. Barring these limitations all efforts have been taken to make the study systematic and objective.

1.5. Structure of the study

The thesis is divided into six chapters. The first chapter deals with introduction, objective, scope, and limitations of the study. The review of literature relating to the problem and meaning and definitions of the terms used in the study are given in the second chapter. The third chapter discusses the materials and methods used in the research work including the sampling, procedures adopted for measuring the variables and statistical procedures. The total marketing system of the handloom

industry is depicted in the fourth chapter. The fifth chapter had been devoted to results and discussion. The last chapter summarises the results and the general conclusion of the study. The references and appendices are given in sequel to the last chapter.

Review of Literature

CHAPTER II
REVIEW OF LITERATURE

An attempt is made in this chapter to review some of the major research findings relevant to the area of study. Besides the review of literature, this chapter also contains the definition of terms and concepts used in the study. The review of literature is classified in to the following heads for easy comprehension, viz., studies relating to:-

1. Product
2. Price
3. Promotion
4. Place (Distribution)
5. Market demand and market segments
6. Consumer behaviour, consumer tastes and preferences
7. Cost of production and related problems.

2.1. Product

Shashi (1976) in his study observed that quality improvement of the handloom was imperative. The handloom firms ought to bring out popular designs for which they ought to have the right type of looms and accessories.

The Estimate Committee of Parliament (1978) had noted that most of the handloom weavers were still using obsolete and out-moded techniques of production and designs not in accordance with market trends.

Sarangdharan (1982) had found out that the handloom industry in Kerala lacked market research with the result that, they could not predict the demand of the product according to the design, colour and quality which the consumers wanted. This naturally led to ill-directed production resulting in accumulation of the stock.

Ramakrishna et al. (1985) had the opinion that the handloom co-operatives lacked aggressive marketing policy. To compete with the organised sector, the weavers' co-operatives ought to have adopted new techniques of production, cost reduction programmes to ensure that their products were well within the reach of the middle class and lower income groups which formed the majority of the consumers.

The survey of Economic Times (1986) stressed that the handloom industry should give due importance to the twin issues like product adoption and quality standards. This alone would help the industry to fare well in the domestic and export markets.

The market study published in the Marketology (1987) pointed out that the foreign buyers of Indian handloom disfavoured the product due to their poor quality of the basic fibre, poor packing, unfast colour and delay in delivery schedules.

Balasubramannyan (1987) identified that the Tamil Nadu Weavers' Co-operative Society (Cooptex) had a broader product mix ranging from ordinary handloom cloth of very cheap variety to sophisticated products like polyester shirtings and polyester chiffon sarees. As tastes and fashion would change frequently in the textile market, cooptex realised the need for fabric development and planned to go in for high quality and value items.

Anonymous (1988) had also endorsed the achievement of the Cooptex in bringing out acceptable kinds of products.

2.2. Price.

Unnikrishnan (1975) had observed that in co-operative sector the pricing was done mainly on cost basis especially for the medium and bazar quality products viz. Shirtings, Towels, Thorthu, Lungi. But the quality products like Sarees, Kavanees, Mundu-sets, Bed spreads and Casement materials of high quality were priced partly on the basis

of demand and partly on competitive pricing. Demand oriented pricing policy has also followed by them in the case of few selected items.

Krishnankutty (1985) had pointed out that the handloom units operated in a peculiar situation where products prices were fixed much in advance while cost of production, mainly of raw materials were on the rise. The obvious compromise in such situation was the sacrifice of the quality to save costly raw material.

2.3. Promotion.

Textile Committee (1969) in their survey found that sales promotion techniques had influenced only one out of every three individuals interviewed. Recommendation of the shop keepers at the point of sales influenced the purchases to the tune of 15 per cent. Shop displays and mass media advertisements influenced the urban consumers while shop-keepers' recommendation influenced the rural folk.

Rangaswamy Committee (1969) found that major defect of our handloom industry in the international market was attributed to the poor publicity.

Unnikrishnan (1975) observed that in the co-operative sector, the number of exclusive show rooms were on the increase. Though they were organised to a greater extent on modern lines, professional sales attitude was lacking among the sales personnel towards potential buyers and non-commercial attitude towards stocking and their appropriate shifting continued to remain and ultimately affected the sales volume and profits.

Radhakrishnan (1978) pointed out that the projection of brand name and image building were important in marketing. A classic example of success achieved in this field was that of "Khataus" whose name was synonymous with voils.

2.4. Place (Distribution).

The Estimates Committee of Parliament (1978) held the view that only 10 per cent of handloom products could be marketed through organised channels and the rest depended on themselves.

Samuel (1983) observed that the private retailers dealing exclusively in handloom products were found to be few in number in Kerala.

Rao (1985) found that a major share of fabrics of handloom industry was marketed by private traders dominated

by master weavers and other dealers. Marketing through organised channels like co-operative societies and other Corporation, covered only a smaller share of the total turnover of the industry.

Sarah (1986) opined that in many states the apex societies had failed miserably in marketing handloom cloths produced by the weavers' co-operative societies.

Rajgopal (1986) identified the following marketing channels for primary and industrial handloom co-operatives in Kerala.

- (i) Own show-rooms and exhibition
- (ii) Commission Agents, public sector undertakings and other outside parties.
- (iii) Apex Society (Kerala State Handloom Weavers' Co-operative Society) and Kerala State Handloom Development Corporation.

2.5. Market Demand and Market Segment.

Sreenivasan (1969) pointed out that as far as textiles were concerned the economy had already become a buyers' market and the cotton industry would have to

equip itself with techniques to meet the dynamic consumer preferences.

Radhakrishnan (1973) observed that the economic scene had presented a panorama of sophisticated urban-based fashion - conscious textile demand at one end sharing the market with low priced mass consumption clothing which caters to the rural poor.

Metha (1986) explored that there had been a visible up-trend of per capita consumption of cloth in the country from 14 to 15 meters a few years ago to over 17 meters currently. With the expected rise in population to over 985 million by the turn of the century and the improvement in the living standards of masses due to the implementation of progressive economic policies of the Government, the demand for the textiles would be bound to go up quite substantially in the years to come.

The Financial Express (1987) in their study unearthed the fact that of the total consumption of fabrics, rural market accounted for 72 per cent and urban market accounted only for 28 per cent. The rural market purchased 77.3 per cent of cotton fabrics while urban market consumed only 22.7 per cent of total sale of cotton fabrics.

Strolz (1987) ascertained that the demand for the cotton garment had not been adversely affected by a two and a half times rise in the cotton prices in the past 14 months (from August 1986 to September 1987) in the European markets.

Das (1987) calculated that out of the per capita consumption of 17 meters of cloth, cotton accounted for only four meters in India, the balance was cornered by synthetics since the global price of synthetic cloth was much lower than those in India.

Balasaubramannyan (1988) was of the view that the fibre diversification and multitude of designs were introduced to suit all market segments by the Cooptex. This had resulted in higher wages to the handloom weavers and had also helped the handloom industry to up-grade its products to meet the challenge of dynamic customer taste and preferences. The new fabrics created new markets for handloom cloths in the face of stiff competition from mills.

2.6. Consumer behaviour, consumer tastes and preferences.

Textile Committee (1969) revealed that higher income group and elite class preferred non-cotton fibres, while cotton had found greater preference with the advance in

age. It had locational effect also as cotton was less popular in towns than in villages.

Radhakrishnan (1978) observed that the job of marketing textiles was very complex since sartorial habits differed considerably because of customs, traditions, weather and numerous other factors. Added to this was the new dimensions arising from the recent innovation of versatile fabrics like polyester, polyosic etc.

Sen (1978) viewed that the outer wear which originated as a protection against climatic vagaries or weather hazards had come to reflect not only personality but fastidious fashions and freedom of wear of the individual.

Rao (1978) was of the opinion that unlike many of the standardised consumer items, textiles was a highly sensitive commodity subject to larger diversity and more vibrant consumer preferences. The present day consumer would be looking for goods which would satisfy individual fancy, social status, cultural patterns, weaving comfort etc.

Strolz (1987) found during his market survey that cotton textiles enjoyed a place of pride in the European continent despite the steep rise in the world cotton prices

Mohana et al. (1988) opined that unlike the organised sector of the mill industry which produced fabrics based on market trends and consumers' tastes, the weavers in the handloom industry produced largely without reference to these and in isolation from technological advancements. The result would be the chronic accumulation of stock.

2.7. Cost of production and the related problem.

The Reserve Bank of India-Survey on Handloom (1965) reported that the weavers were forced to sell their produce to private traders due to inordinate delay in the payment by the Society.

Sivaraman Committee (1974) identified that the crucial problem of handloom industry was the irregular supply of yarn to the weavers and uncertainty with regard to the off-take of their produce.

Ram et al. (1985) attributed the shortage of hank yarn in the handloom sector to the over-drawl of the supplies by the powerloom sector and by those producing fishing nets, ball threads, ropes and hosiery.

Krishnankutty (1985) calculated that the raw material cost in respect of coarse variety was high with 67.98 per

cent whereas in the case of finer variety, the share of raw material was 63.48 per cent of the total production cost.

Ramakrishna (1986) established that the private firms manipulated the cost structure by way of denial of minimum wages to weavers. Besides this, they also reduced the cost by means of manipulating the quality of raw materials.

2.8. Definition of terms and concepts.

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by a firm.

Brand is a name, term, sign, symbol or design, or a combination of them, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

Cash discount is a price reduction to buyers who pay their bills promptly.

Exclusive distribution is the process of limiting the number of intermediaries handling the products of a firm, preferably allotting an area exclusively for each retail outlet.

Intensive distribution is a method of using as many sales outlets as possible to have maximum expansion of markets.

Marketing channel is a set of institutions which perform all of the activities relating to the movement of a product and its title from production to consumption.

Marketing mix is the mixture of controllable marketing variables that the firm uses to pursue the sought level of sales in the target market. These variables are product, price, place and promotion.

Marketing strategy is the marketing logic by which the business unit expects to achieve its marketing objectives. Marketing strategy consists of making decisions on the business's marketing expenditures, marketing mix, and marketing allocations in relation to expected environmental and competitive conditions.

Market segmentation is the act of dividing a market into distinct groups of buyers who might require separate products and/or marketing mixes. It is a process of converting heterogeneous markets and homogeneous groups. The different segmentation variables are geographic, demographic, psychographic and behaviouristic factors.

Personal selling is an oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.

Place refers to the various activities the company undertakes to make the product accessible and available to target consumers. This includes policies and strategies relating to physical distribution and channels of distribution.

Price is the value that customers have to pay for the product.

Price spread is the analysis used to measure the marketing efficiency by comparing producers' share in the consumers' price under different channels of distribution.

Product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.

Product mix or product assortment is the set of all product lines and items that a particular seller offers for sale to buyers.

Psychological discounting is a promotion pricing technique, where the seller puts an artificially high price on a product and offers it at substantial savings.

Promotion stands for the various activities the company undertakes to communicate its products' merits and to persuade target customers to buy them.

Publicity is the non-personal stimulation of demand for a product, service, or business unit by planting commercially significant news about it in a published medium or obtaining favourable presentation of it upon radio, television, or stage that is not paid for by the firm.

Pull strategy is a method of promotion to build up consumer demand. Thus the consumers are persuaded and motivated to demand the products from the retailer who in turn pull down the wholesalers and producers for the supply of products.

Push strategy is done with the sales force and trade promotion to push the product through the channels. The producer aggressively promotes the product to retailers; and the retailers aggressively promote the product to consumers.

Quantity discount is a price reduction to buyers who buy large volumes.

Rebate is the price off that the sellers allow to consumers within a specified time period.

Sales promotion is short-term incentives - monetary or non-monetary - to encourage purchase or sale of a product or service.

Seasonal discount is a price reduction allowed to buyers who buy merchandise or services during particular seasons.

Methodology

CHAPTER III

METHODOLOGY

The materials used and the methods adopted in this study are presented under the following sections.

1. Location of the study
2. Selection of the sample
3. Selection of variables and their measurement
4. Techniques employed in data collection
5. Methods used for analysis.

3.1. Location of the study.

As far as organisational survey is concerned the study is confined to Trivandrum and Cannanore districts for the following reasons.

3.1.1. These two districts account for the 64 per cent of the handlooms. The District-wise loomage is given in Appendix IV.

3.1.2. The headquarters of the Kerala State Handloom Weavers' Co-operative Society (Hantex) and the Kerala State Handloom Development Corporation (Hanveev) are located in Trivandrum and Cannanore respectively. The marketing strategies of these two organisations form the core area of the present study.

3.1.3. The private traders and firms in handloom have also been polarised in the two districts.

However, for the consumer survey Trichur district has been chosen because of its central location. The purpose of the selection of a central location has been due to the fact that it is likely to have greater intensity of marketing efforts in the markets near to sellers place. Such nearness would cause some bias towards brand awareness and brand preferences. The diffusion of intensity in marketing efforts in far away places would be neutral and hence Trichur has been selected for consumer survey.

3.2. Selection of the sample.

According to the information provided by the personnel of the Regional Office of the Textile Committee (Cannanore) 12 private handloom units have been found undertaking the production and marketing of the fabrics. Out of 12 units, four units are selected at random for the study. The sampling frame accounts for 30 to 40 per cent. Similarly enquiry has been made to the traders in Balaramapuram and has found that there are 11 private concerns which undertake handloom trade. From among 11 units, four are selected randomly as sample units.

In selecting the sample units in the private sector, two criteria are looked into. One is the magnitude of the sales volume and another being the functional aspect. Accordingly, the units which have higher sales volume are identified and only those units are selected as far as possible for the present study. Likewise, the units which have undertaken the production and marketing functions of handloom products are included in the sample units wherever it is possible.

For the consumer survey the sample frame has been 150. This is split up into 75 each to cover both urban and rural consumers. For the selection of urban consumers 750 addresses have been collected from the three show rooms of the Kerala State Handloom Weavers' Co-operative Society, Trichur and the exhibition show room of the Kerala State Handloom Development Corporation during the Vizhu, Onam, Christmas and Trichur pooram festivals. Out of 750 addresses so collected, 75 consumers are selected at random.

As far as selection of rural consumers is concerned, the consumers from the Attoor village have been purposively selected. The reason for selecting Attoor Village is that it is closer to the Talappilly taluk headquarters, where the show rooms of Kerala State Handloom Weavers'

Co-operative Society, the Kerala State Handloom Development Corporation and the Cooptex are found working. The people of Attoor village had easy access to the taluk headquarters. The selection of consumers is done on the basis of house list maintained by the Mullurkkara panchayat office. From the house list 75 households are randomly selected.

For the study of price spread 10 primary handloom societies of Trivandrum are randomly selected and five each textile shops and hawkers of Trichur districts are chosen.

3.3. Selection of variables and their measurement.

From the apriori knowledge it has been found that marketing strategy consisted of four marketing mix elements namely product, price, promotion and distribution. Hence, in this study these four variables have been incorporated. First of all, it is ascertained how these variables of marketing strategy are being framed by various units under study. Secondly, the impact of each such variable is measured in terms of sales volume achieved. Thirdly the impact of advertisement is measured by the brand awareness test. Price spread is measured by enquiring into the price at which various organisations sold their products and by calculating their marketing

expenditure wherever it is possible. The perception of the consumers regarding the various marketing mix elements is measured with the help of summated ratings or Likert method.

In the summated rating method statements regarding different aspects of product, price, promotion, place and customer service have been prepared in consultation with a panel of consumers and subject experts. These statements have been written carefully to include the universe of contents about the psychological object. In this way 21 statements have been selected after editing to meet the criteria for selection of attitude statements.

The method in this study has been adopted with a difference. Out of 21 statements 15 statements have been distributed equally among the variables like product, price, and promotion. Six statements have been included in distribution and customer service variables.

The responses are rated on a five-point continuum viz. agree strongly, agree somewhat, no opinion, disagree somewhat and disagree strongly. The scoring procedure for the positive statement is given below :-

Sl.No.	Response(s)	Score
1.	Agree strongly	5
2.	Agree somewhat	4
3.	No opinion	3
4.	Disagree somewhat	2
5.	Disagree strongly	1

For the negative statements the scoring procedure is reversed. Hence, the highest score for a subject would be 25 for product, price and promotion and 30 for the distribution and customer service if the subjects had marked all favourable attitude and five and six if they had marked all unfavourable statements.

We consider the frequency distribution of scores based upon the responses to all statements. We may then take the 25 (or some other) per cent of the subjects with the highest total scores and also 25 per cent of subjects with the lowest total scores. We assume that these two groups provide criterion groups in terms of which to evaluate the individual statements. This process has been adopted both with the urban and rural consumers separately. In evaluating the responses of the high and low groups

to the individual statements, the ratio is found out by using the equation.

$$t = \frac{\bar{X}_H - \bar{X}_L}{\sqrt{\frac{SH^2}{nH} + \frac{SL^2}{nL}}} \quad (1)$$

where,

\bar{X}_H = the mean score on a given statement for the high group.

\bar{X}_L = the mean score on the same statement for the low group.

SH^2 = the variance of the distribution of responses of the high group to the statement.

SL^2 = the variance of the distribution of responses of the low group to the statement.

nH = the number of subjects in the high group.

nL = the number of subjects in the low group.

The value of 't' is a measure of the extent to which a given statement differentiated between the high and low groups. As a crude and approximate rule of thumb, it might be regarded that any 't' value equal to or greater than 1.75 as indicating that the average response of the high and low groups to a statement differs significantly.

Since, the study has aimed only to know the attitude of the consumers with regard to variables of marketing strategy and also to assess the intensity of attitude towards each statements separately the 't' values in absolute terms have been taken for interpretation.

The interpretation of an attitude score on a summated rating scale can not be made independently of the distribution of scores of some defined group. If a subject obtained a score of 21 on a 21 item summated-rating scale, it could be interpreted as unfavourable attitude. Since, in order to obtain this score, the subjects have to mark a strongly agree response to every unfavourable statement and a strongly disagree response to every favourable statements. But this situation might not occur in every case. The scoring would fall in between these two extremes. In such case the interpretation might be done on the basis of the magnitude of the 't' values. Jimenez et al. (1988) stated that a higher magnitude of 't' values indicated that the subjects showed a favourable attitude to the given statement and a low magnitude showed an unfavourable attitude to the given statement.

Guttman et al. (1947, 1950, 1944) found summated-rating scale to be apt in comparing the mean attitude scores of two or more groups.

3.4. Techniques used in data collection.

For the data both primary and secondary sources are depended upon. The personal interview method has been used for collecting data from sample units and consumers which has formed primary source of data. The draft schedules have been pretested in a pilot study in Cannanore, Trivandrum and Trichur in 1987. Suitable modifications have been made in the schedules on the basis of the pilot study.

The schedule for the organisational survey is prepared in English. The schedule for the consumer survey is prepared both in English and Malayalam. The schedules served to the institutions and consumers are given in appendices V) and VI) respectively. The profile of consumers is given in Appendix VII). For the organisational survey officials, owners and managers of the respective firms have individually been interviewed and their responses have been recorded. Similarly, for the consumer survey the consumers have been interviewed and their responses are recorded.

The books and accounts, annual reports, Census, Handloom Census, Reports of various Committees and Commissions form the source of secondary data. The period of study is decided to be from 1980-81 to 1986-87.

The Marketing System of Handloom Product in Kerala

CHAPTER IV

THE MARKETING SYSTEM OF HANDLOOM PRODUCT IN KERALA

The term marketing system has two distinct connotations in marketing management concepts. One refers to the channel organisation and the other refers to the actors and forces that are external to marketing management function of the firm and that impinge on the market management ability to develop and maintain successful transactions with its target customers (Kotler, 1988).

For the purpose of present study, the latter concept has been adopted. Once the product leaves the producers he has absolutely no control in the remaining process till the product reaches the consumer. In addition, the changing and uncertain marketing environment vitally affects the industry. The marketing environment is in continual flux, spinning off new opportunities and new threats. Instead of changing slowly and predictably, the environment is capable of producing major surprises and shocks (McCarthy, 1980). Hence, a total concept of marketing system become more relevant in a study relating to marketing aspects.

Given that marketing environment is the sum of the effects of opportunities and threats, the firm must use its marketing research and marketing intelligence capabilities to monitor the changing environment. The marketing environment comprises of micro-environment and a macro-environment (Kotler, 1988).

The micro-environment consists of the actors in the industry's immediate environment that affect its ability to serve its customers namely, the company, market channel, customer markets, competitors and publics. The macro-environment consists of the large societal forces that affect all the actors in the industry's micro-environment, namely, the demographic, economic, technological and political forces.

4.1. The Micro-environment of the Industry

The major sectors that constitute the handloom industry in Kerala are co-operative, public and private sectors. They either undertake production or assist in production. They are also involved in marketing of the products both in domestic and international markets. In the co-operative sector there are primary handloom societies and their apex society called the Kerala State Handloom Weavers' Co-operative Society Ltd. (Hantex).

The apex societies of other states are also in the fray. All India Handloom Fabrics Marketing Society Ltd. with their show rooms named Handloom House too is found in the marketing front in Kerala.

In the public sector there is the Kerala State Handloom Development Corporation Ltd. (Hanveev). The National Handloom Development Corporation and Handicrafts and Handloom Export Corporation are also found in the area of marketing handloom products in Kerala.

In the private sector, various firms, wholesalers, textile shops, hawkers and exporters have also been found operating in the handloom marketing scene.

4.1.1. Kerala State Handloom Weavers' Co-operative Society Ltd. (Hantex).

The Hantex was constituted in 1961 as the apex society. The member societies are the production units. The Hantex mainly undertakes input and output marketing services to the primaries. The apex society also undertakes the production of fabrics. By the end of the year 1985-86 the total number of members came to be 374 out of which 371 were primary societies, two spinning mills and the State Government. The share capital was Rs 2,26,52,750/-

The share capital contribution of the Government amounted to Rs 1,96,19,300/- The objectives of the apex society are:

1. To undertake loan disbursement which is given by the various financial intermediaries to the primary handloom societies.
2. To supply yarn and other inputs to the primaries.
3. To develop new designs and production techniques and disseminate technical advice to the primaries.
4. To undertake the marketing for member societies.

The working results have been discussed elsewhere. The performance of the Hantex in marketing its members' products is illustrated hereunder.

Table 4.1. The Total Production of Primary Handloom Societies and the Procurement of Hantex

Year	Production in lakh meters	Procurement in lakh meters	Per cent of procurement to the total production
1979-80	210.66	75.78	35.02
1980-81	242.82	88.88	36.60
1981-82	225.39	98.50	43.70
1982-83	242.46	101.64	41.65
1983-84	295.84	86.79	29.33

Source: 1. Annual Reports of Hantex.
2. Report of the Survey on Primary Handloom Weavers' Co-operative Society, 1984.

The Table 4.1. illustrates that the Hantex has failed in absorbing the total production of the member societies in any of the year under study. What it could procure is only less than 44 per cent. In 1983-84, the rate of procurement shows a declining trend. This situation would ultimately affect the working of primary societies as it might initiate process of accumulation of stock

4.1.2. Kerala State Handloom Development Corporation Ltd.
(Hanveev)

The Hanveev was established in the year 1968 with its headquarters at Cannanore. Its original name was Kerala Handloom Finance Corporation which was renamed subsequently as Kerala Handloom Finance and Trading Corporation in 1975. Finally it was converted into Kerala State Handloom Development Corporation.

The original aim of the Corporation was to encourage and strengthen the private handloom enterprises by providing them with working capital and fixed capital. Besides, they undertook the marketing activities too. The Corporation was entrusted with the task of implementing Intensive Handloom Development Projects in Cannanore and Trivandrum regions. Accordingly six societies were

set up in Cannanore region and seven societies were established in Trivandrum region. The aim of the project was to bring the weavers under the co-operative fold. Another project that had been shouldered by the Corporation was the Export Production Project with the aim of encouraging export of high quality handloom fabrics.

The societies and 'Clusters' form the source of supply of fabrics to the Corporation. However, 'clusters' are the main source of supply. 'Clusters' are nothing but centres where the yarn is supplied to the individual weavers and manufactured goods are procured by the Hanveev. The weavers are paid wages. The Corporation has remained to be fair weather friend to the weavers. Under this arrangement the Hanveev can avoid paying of bonus and such other benefits which are otherwise to be paid when they procure finished fabrics from the societies.

4.1.3. Private Sector.

Private traders have substantial hold in the production and marketing of handloom products though their strategies and methods in production and marketing are not known explicitly. In 1968, the private sector accounted for 70 per cent of loomage. In 1973, it was reduced

to 69 per cent which went up again to 75 per cent in 1976. In 1984, their share in loomage however, was declined to 48 per cent.

In spite of various concession to co-operative and public sectors, the private traders thrived and their share in the sales has been discussed elsewhere in the study. The conditions and practices existing in the field often pave way for doubts that various concessions extended by the Government ultimately have routed to the private traders.

4.1.4. Exporters.

The trend of export of handloom goods has been discussed previously. In Kerala there are 45 licensed agencies who are permitted to undertake export. Out of 45 registered export agencies 42 are the private dealers and the others are Hantex, Hanveev and Handicrafts Board.

4.1.5. Suppliers.

The raw materials of the handloom industry are yarn and dyes. The yarn constitutes more than 60 per cent of the total costs. The Hantex and Hanveev purchased yarn mainly from the National Textile Corporation (NTC). But it is found that the apex society and the Corporation

could hardly meet 30 per cent of total consumption of yarn by the handloom societies and clusters. For the rest of their requirements they have to depend upon the private spinning mills working inside and outside the state. The major counts used by the handloom sector are 20_s, 26_s, 60_s, 80_s, 100_s and 120_s.

4.1.6. Spinning Mills in Kerala.

There are totally 26 spinning mills in Kerala. Four of them are in co-operative sector, four are owned by the Government of Kerala, five are run by the National Textile Corporation (NTC) and 13 are owned and managed by the private sector. The production of hank-yarn by the spinning mills in Kerala is given hereunder.

Table 4.2. Production of Hank-yarn by Spinning Mills of Kerala-1980 (quantity in kg and bales of 170 kg)

Mills	40 _s and below		Above 40 _s		Total	
	kg	Bales no.	kg	Bales no.	kg	Bales no.
Co-operative	1390064	7654	45350	250	1435414	7904
State owned mills	187672	1033	314819	1734	502491	2767
Mills owned by NTC	2414452	13295	894271	4925	3308723	18220
Private mills	2514010	13844	1352438	7448	3866448	21292
Grand total	6506198	35826	2606878	14357	9113076	50183

Source: Quarterly statements furnished by Spinning Mills quoted in Statistical Hand book on Handloom Industry in Kerala 1981, pp. 20-21.

The Table 4.2. unravels the production of hank-yarn by spinning mills in Kerala. It is found that the quantity of hank yarn produced here is not sufficient to meet the requirement of handlooms in Kerala. The table reveals that the spinning mills in Kerala produce mainly the yarn of lower counts. The share of finer counts is meagre to meet the domestic requirement. This has forced the handloom societies and other weavers to depend upon spinning mills outside Kerala.

4.1.7. Price of yarn.

The price of yarn directly affects the price of handloom cloths. This has in turn affected the marketability of handloom products. The wild fluctuation in yarn prices is a common feature in the industry. The trend of yarn price is given in Table 4.3.

The Table 4.3. explains that in price of yarn has registered an increase year after year. There is an unprecedented price hike in the lower counts in 1984. In 1987 there has been a general increase in the price of yarn for all counts with a more than proportional hike in finer variety yarn which is around one third rise in the previous year's price. Yarn cost has an adverse effect on

cost structure of handloom goods. The fluctuation in the yarn price is stemmed from the demand and supply condition of raw cotton.

Table 4.3. Trend of yarn price (Average ex-mill price for bundles of 4.54 kg) (price in Rs)

Sl. No.	Counts	Oct. 1978	Oct. 1979	Oct. 1980	April 1981	Aug. 1983	Aug. 1984	Aug. 1987
1.	20 _s	70	73.50	73.50	96	98	126	127
2.	26 _s	76	84	90	103	110	130	142
3.	40 _s	98	117	110	119	138	141	165
4.	60 _s (carded)	130	152	143	152	175	170	195
5.	60 _s (combed)	145	170	165	177	190	195	
6.	80 _s (combed)	162	212	188	180	252	225 250	
7.	80 _s (carded)	198	242	231	247	200	195 200	316
8.	100 _s (combed)	245	341	341	320	345	310 330	415
9.	120 _s	-	-	-	-	-	-	500

Source: 1. Statistical Hand Book on Handloom Industry in Kerala - 1981.

2. Charts maintained by Hantex.

4.3.3. Supply and demand conditions of cotton.

The cotton production has been erratic over the years. The demand has surpassed the supply. The demand and supply of cotton has a bearing on the handloom industry because 90 per cent of the production in the handloom industry is based on cotton fibre. The Table No.4.4 would illustrate the present discussion.

The Table 4.4 analyses the demand and supply of cotton for the past 16 years and has surfaced the fact that only in six years, there has been some excess supply over demand for cotton. In all other years the demand is in excess of supply. In the previous table it has been found that the price of yarn is on the increase. The reason for the rise of price might be due to the imbalance between the demand and supply of cotton. The imbalance of supply is due to erratic trend in production of cotton which has been discussed elsewhere and also due to changes in export-import policy.

Table 4.4. Availability and mill consumption of cotton (in lakh bales of kg)

Cotton year (ended 31st August)	Cotton production (Trade estimates of commercial crop)	Export & Extra factory con- sumption	Available for mill consum- ption from do- mestic sources (2) - (3)	Imports	Total availa- bility for mill consum- ption (4) + (5)	Total con- sumption in mills	Deficit in demand and supply of cotton
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1970-71	56.62	3.06	53.56	9.10	62.66	62.67	-0.01
1971-72	74.62	3.53	71.09	7.90	78.99	67.33	11.66
1972-73	66.36	2.90	63.46	4.68	68.14	68.67	-0.53
1973-74	64.04	4.72	59.32	1.88	61.20	72.78	-11.58
1974-75	70.39	2.03	68.36	1.15	69.51	71.10	-1.59
1975-76	66.50	6.27	60.23	1.66	61.89	75.45	-13.56
1976-77	59.50	2.39	57.11	6.22	63.33	67.52	-4.19
1977-78	71.03	2.10	68.93	6.16	75.09	66.16	8.93
1978-79	79.27	5.40	73.87	0.31	74.18	69.81	4.37
1979-80	76.98	7.81	69.17	-	69.17	74.12	-4.95
1980-81	78.00	9.97	68.03	-	68.03	76.78	-8.75
1981-82	84.00	7.75	76.25	0.50	76.75	71.23	5.52
1982-83	83.07	11.79	71.28	-	71.28	75.61	-4.33
1983-84	74.94	9.01	65.93	-	65.93	80.20	-14.27
1984-85	101.50	6.45	95.05	0.75	95.80	86.88	8.92
1985-86	107.00	9.60	97.40	-	97.40	86.57	10.83

Source: Handbook of Statistics on Cotton Textiles Industries (ICMF)

As far as export-import policy of cotton is concerned it is criticised that the Government policy has been a short sighted one. The Economic and Political Weekly (1987) has reported that the Government has entered in a long term contract to supply six lakh bales of cotton annually. The contract has commenced from 1986-87 (September-August). The anticipated crop failure and the long term contract to export long staple cotton has caused the price of cotton to rise by 45 per cent to 80 per cent depending on variety.

The cotton price depended to a greater extent on the policies of procurement and disposal of cotton by the agencies which are entrusted with the task. According to the reports of Economic and Political Weekly (1987), it is found that the Cotton Corporation of India and the Maharashtra State Co-operative Cotton Growers' Society had disposed of the entire stock on 1986-87 which has been cornered by the private mill owners. It has helped them to have a monopoly position in the supply of raw cotton.

4.1.8. Price of Dyes.

Like the price of yarn, the price of dyes also has an impact upon the cost structure of the handloom goods.

Since the price of dyes and chemicals is not available in terms of their quantity, the whole sale price index of the dyes has to be depended upon.

Table 4.5. Index Numbers of whole sale prices
(Revised series) (base 1970-79 = 100)

Year	Price of dye stuffs/ chemicals
1971-72	99.80
1972-73	102.80
1973-74	117.00
1974-75	169.80
1975-76	172.70
1976-77	176.20
1977-78	185.80
1978-79	194.20
1979-80	226.80
1980-81	253.90
1981-82	267.00
1982-83	275.70
1983-84	285.00
1984-85	299.90
1985-86	330.20

Source: Hand Book of Statistics on Cotton Textiles
Industry (ICMF)

The Table 4.5 throws light upon the price situation of dyes and chemicals used in the handloom industry for the past 14 years. The price shows an upward trend in every year. The whole sale price index for the year 1971-72 has been 99.80 which has risen to 330.20 in the year 1985-86 registering a three fold increase. Thus the price rise of dyes and chemicals has been contributing further to lose the foot hold of handloom industry in the market.

4.1.9. Wages.

In procuring the cloth, the Hantex fixes the wages on the basis of weight of materials used in the final product. This is included in the procurement price. In November, 1987 the wage was refixed. The comparative wage rates and the percentage increase are given in the Table 4.6.

From the Table 4.6. it is evident that there is a considerable hike in the wage rate. It has ranged from 30 per cent to 40 per cent. The unprecedented rise in the prices of raw materials and the wage rate increase would surely make the handloom product costlier.

Table 4.6. Wage rate for selected standard items

Sl. No.	Count number	Items	Wages prior to refixation (per kg)	Wages refixed (per kg)	Per cent increase	Wages per 'Kazhi' (refixed) rate
1.	20 _g	Thorthu	11.30	15.80	39.82	3.59
2.	26 _g	„	14.70	20.60	40.14	3.60
3.	20 _g	Other items	10.40	14.55	39.90	3.30
4.	26 _g	„	13.70	19.20	40.15	3.35
5.	30 _g	„	15.80	22.10	39.87	3.35
6.	40 _g	„	24.10	33.75	40.04	3.83
7.	60 _g	„	38.70	54.20	40.05	4.10
8.	80 _g	„	54.80	71.25	30.01	4.04
9.	100 _g	„	76.40	99.30	29.97	4.57
10.	120 _g	„	110.00	143.00	30.00	5.41

Source: Circular of Hantex dated 28.11.87.

4.1.10. Competition.

The major competitor of the handloom industry is the organised mill sector. They have better technological base and methods of production. Their resource base is also found to be strong and varied. Batra (1978) had

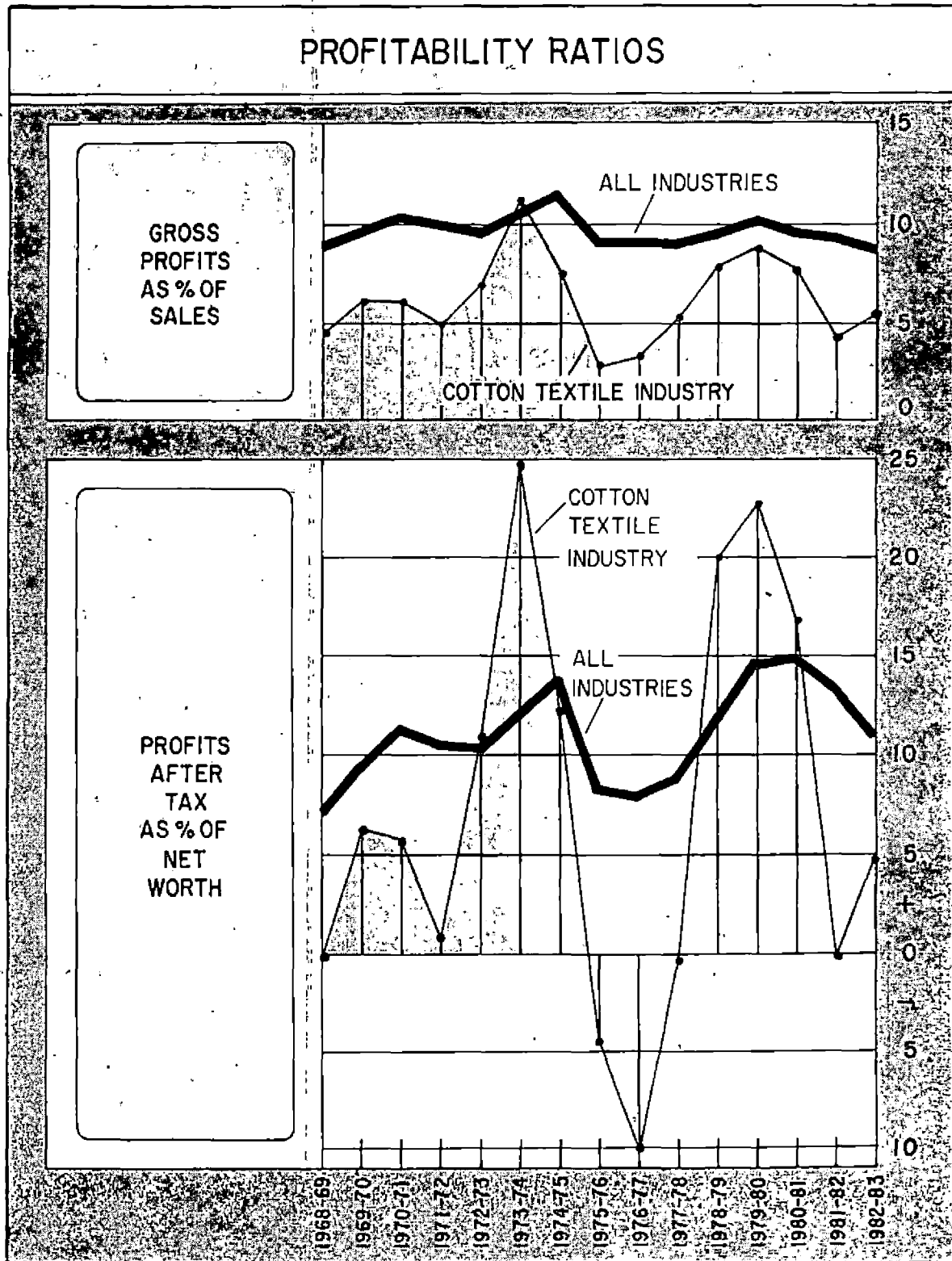
found that the productivity of the mill sector per worker was 30 to 35 meters per shift of eight hours while it was six to eight meters per day in handloom sector. Goenka (1978) had observed that the then existed utilised capacity of mill sector was 4800 million meters in 1956 and 4120 million meters in 1977. But its full capacity could go up to 5000 million meters. The utilised capacity of powerloom was 2000 million meters, but its full capacity could go upto 4000 million meters.

The mill sector enjoys various economies of scale in the case of procurement of yarn, dyes, managerial talents, sales and other related activities. The composite mills have the added advantages of assured yarn supply as they have some arrangements with spinning mills.

The mill sector is better placed in the case of organisational aspects as well. The mill owners have their own national level organisation like Indian Cotton Mills Federation (ICMF) and the regional level organisations to protect their interests and to do lobbying for their cause. The various textile research organisations like South Indian Textile Research Association (SITRA), The Bombay Textile Research Association (BTRA), the East

Indian Textile Research Association (ITRA) have helped them to update the production techniques and better the quality of fibre. Judging the mill sector from the point view of profit, their competitiveness could better be understood. The foregoing chart presents their profitability ratio.

The chart shows the profitability ratios of cotton textile industry for the past 15 years in terms of gross profits in relation to the sales and profits after tax in relation to the net worth. These ratios have been compared with the other industries taken as a whole. It might be seen that the gross profit before tax shows a lower rate when compared to other industries. As far as profits after tax is concerned, for the time period from 1972-73 to 1974-75 and from 1977-78 to 1980-81 the position seems to be comfortable as has been evident from the comparison of such ratios to those of all industries. The negative trend has been recorded only during the period of 1975-76 to 1977-78.



Source: Handbook of Statistics on Cotton Textile Industry, ICMF, Bombay, p.18.

4.1.11. Other competitors

Besides the mill sector the handloom industry of Kerala faces stiff competition from the powerloom sector. The illegal powerlooms and even the licensed powerlooms dump their products in the market under the guise of handloom products and snatch away the benefits enjoyed by the handloom. This unhealthy practice has been unearthed by various Committees and Commissions appointed to study the problems of handlooms from time to time. The stiff competition from the handloom concerns of other states is another challenge encountered by the handloom industry in Kerala. Another threat that is confronted by the textile industry in general and handloom industry in particular, is the deluge of smuggled fabrics. Das (1987) calculated that the smuggled fabrics worth Rs 300 crores had found their way into our domestic market.

4.2. The Macro environment of the Industry.

The industry and its suppliers, marketing intermediaries, customers and publics, all operated in a larger macro environmental forces that shape opportunities and pose threats to the industry. These forces represent uncontrollables which the industry ought to monitor and

respond to (Kotler, 1988). The macro environment consists of four major elements, viz. demographic, economic, technological and political forces.

4.2.1. Demographic environment.

Marketers are keenly interested in the size of the population, its geographical distribution, density, mobility trends, age distribution, birth marriage and death rates and social, ethnic and religious structure. The rate of growth of the population has great importance for any business. The growing population means growing human needs. It means growing markets if it is backed by purchasing power. Questions like what to produce, for whom to produce, and how much to produce are to be answered by formulating appropriate marketing strategies.

All the demographic factor could not be produced in the discussion as there is the paucity of data. However, some of the major demographic variables are given in the subsequent pages.

The Table 4.7 shows a constant growth in the population. The rate of growth of population for the present decade is found to be 1.92. The table has also explained that there is female domination in sexwise ratio. These figures would help to find out how much to produce if the

per head consumption is known. Each firm might ascertain the quantity to be produced if it knew what was its market share. A sex-wise segmentation would also be possible with these figures.

4.2.1.1. Per capita consumption.

The knowledge of the population figures would alone not help the decision of the quantity to be produced. It may be supplemented by the probable per capita consumption of textiles. The Table 4.8. is an attempt in this regard.

Table 4.7. Census of Kerala - 1901-1981.

Year	Persons in lakhs	Per cent decadal variation	Male in lakhs	Female in lakhs
1901	63.96	-	31.91(49.89)	32.04(50.11)
1911	71.48	11.75	35.59(49.79)	35.88(50.21)
1921	78.02	9.15	38.79(49.71)	39.23(50.29)
1931	95.07	21.85	47.02(49.46)	48.05(50.54)
1941	110.32	16.04	54.43(49.34)	55.89(50.66)
1951	135.49	22.82	66.81(49.31)	68.68(50.69)
1961	169.04	24.76	83.02(49.11)	85.02(50.89)
1971	213.48	26.29	105.88(49.60)	107.60(50.40)
1981	254.45	19.24	125.25(49.22)	129.20(50.78)

Source: Census of India 1981.

Figures in parenthesis showed per cent to the total.

Table 4.8. Per capita Consumption of all Textiles at
Different Income Levels - All India

Annual household income (in Rs)	Year	Quantity in m	Value in Rs
1. Less than Rs 3000/-	1982	8.42	76.40
	1983	8.87	90.47
	1984	8.80	93.17
	1985	9.86	107.93
2. Rs 3000/- to Rs 5999/-	1982	10.71	124.64
	1983	10.60	129.28
	1984	11.56	146.45
	1985	12.49	164.75
3. Rs 6000/- to Rs 9999/-	1982	14.01	194.23
	1983	13.05	185.79
	1984	13.59	203.04
	1985	14.79	234.82
4. Rs 10000/- to Rs 19999/-	1982	16.79	275.55
	1983	17.76	302.47
	1984	16.01	295.73
	1985	17.88	339.78
5. Rs 20000/- to Rs 39999/-	1982	19.78	383.16
	1983	17.17	384.49
	1984	17.02	395.44
	1985	18.02	428.86
6. Rs 40000/- and above	1982	18.23	484.56
	1983	21.13	531.70
	1984	19.83	531.70
	1985	24.07	786.83
7. Average of all income group	1982	13.52	205.24
	1983	13.69	217.99
	1984	13.83	235.57
	1985	15.45	287.26

Source: Market Research, Textile Committee 1986.

The census figures may be related with the quantity of consumption by the people as shown in the Table 4.8.

Though the people at higher strata use more quantity of cloth, it should be seen that the number of people at that income bracket are relatively less in number. So segmentation on the basis of income would be needed and product mix should be developed according to the tastes and preferences of various income groups. This table thus give an approximate clue as to how much to produce for each income group. It shows that there is a potential market for handloom products but the question is how to reach them. It is in this context that appropriate marketing strategies relevant to particular segments become inevitable.

4.2.1.2. Per Capita House Hold Consumption of Major Item of Textiles in Different Areas.

Area-wise segmentation would be very much desirable as the consumption pattern of people at different area varies. Hence, an illustration has been made to show the difference in consumption pattern by consumers of different regions.

Table 4.9. Per capita Household consumption of major items of Textiles in different areas (quantity in m)

Items	Urban			Rural			All India		
	1983	1984	1985	1983	1984	1985	1983	1984	1985
Dhoti	0.82 (5.19)	0.85 (5.4)	0.92 (5.29)	2.06 (5.8)	1.88 (14.21)	1.95 (13.17)	1.76 (12.85)	1.62 (11.71)	1.70 (11.04)
Sarees 5(m)	5.41 (34.24)	5.45 (34.69)	6.05 (34.77)	3.30 (25.33)	3.58 (27.06)	4.02 (27.14)	3.81 (27.81)	4.04 (29.21)	4.52 (29.26)
Long cloth, Shirts Gray cloth	0.71 (4.49)	0.73 (4.45)	0.49 (2.82)	0.62 (4.76)	0.59 (4.46)	0.51 (3.44)	0.64 (4.67)	0.62 (4.48)	0.50 (3.24)
Shirting	2.01 (12.72)	1.99 (12.68)	2.22 (12.76)	1.96 (15.04)	1.96 (14.81)	2.20 (14.85)	1.97 (14.38)	1.96 (14.17)	2.21 (14.30)
Coating/ Suiting	0.74 (4.68)	0.74 (4.71)	0.77 (4.43)	0.38 (2.92)	0.36 (2.72)	0.41 (2.77)	0.47 (3.43)	0.46 (3.33)	0.50 (3.24)
Ladies dress materials	1.89 (11.96)	1.78 (11.33)	1.82 (10.46)	1.21 (9.29)	1.23 (9.30)	1.35 (9.12)	1.37 (10)	1.36 (9.83)	1.47 (9.51)
Bed sheet/ Bed cover	0.52 (3.29)	0.52 (3.32)	0.62 (3.56)	0.37 (2.84)	0.36 (2.72)	0.39 (2.63)	0.40 (2.92)	0.39 (2.82)	0.44 (2.85)
Towel/Turkey Towel	0.23 (1.46)	0.15 (0.95)	0.28 (1.61)	0.22 (1.69)	0.15 (1.13)	0.26 (1.76)	0.23 (1.68)	0.15 (1.08)	0.27 (1.75)
Readymade Garments	1.28 (8.10)	1.35 (8.59)	1.81 (10.40)	1.10 (8.44)	1.12 (8.47)	1.44 (9.72)	1.14 (8.32)	1.17 (8.46)	1.53 (9.90)
Hosiery goods	0.97 (6.14)	0.86 (5.47)	1.04 (5.98)	0.76 (5.83)	0.74 (5.59)	0.97 (6.55)	0.81 (5.91)	0.77 (5.57)	0.99 (6.41)
Others	1.22 (7.73)	1.29 (8.21)	1.38 (7.93)	1.05 (8.06)	1.26 (9.52)	1.31 (8.85)	1.10 (8.03)	1.29 (9.33)	1.32 (8.54)
Total	15.80 (100)	15.71 (100)	17.40 (100)	13.03 (100)	13.23 (100)	14.81 (100)	13.70 (100)	13.83 (100)	15.45 (100)

Source: Handbook of Statistics on Cotton Textile Industries ICMF p.29.

The Table 4.9 reveals that the saree is the single dominant item in both urban and rural areas. The second item showing a higher usage rate is shirting in both the areas barring the year 1983 in rural area. The dhoti has a substantial market in rural area while it is very low in urban market. Ladies' dress materials form the next best market in both areas which is followed by the ready-made item. This is indicative of the fact that a proper market segmentation and further in depth study on the peculiar features of each segment would enable to identify product varieties to match definite segments. In short, there are similarities in rural and urban consumption pattern in some respects but in certain others they have differed. This proves that segmentation based on area is worthwhile. Hence, further analysis in the growth of urban and rural population is found to be beneficial.

Table 4.10. Indices of Growth in Urban Population of Kerala State.
Districtwise 1901-1981.

Districts	1981	1971	1961	1951	1941	1931	1921	1911	1901
Cannanore	1177	583	539	224	148	132	112	119	100
Wynad	-	-	-	-	-	-	-	-	-
Calicut	691	636	430	258	185	125	104	101	100
Malappuram	1683	1182	719	603	400	241	204	212	100
Palghat	353	366	255	251	170	126	117	109	100
Trichur	1650	801	595	526	384	283	166	130	100
Ernakulam	1352	857	533	353	256	203	130	118	100
Idukki	1292	731	NA	309	121	100	-	-	-
Kottayam	500	656	520	482	296	246	179	102	100
Alleppey	1218	1173	1012	724	464	394	287	129	100
Quilon	2359	1210	919	914	510	369	263	120	100
Trivandrum	1133	987	775	531	308	231	176	110	100
Average for the State	1050	763	562	402	263	202	150	115	100

Source: Censuses of India 1981, series 10 Kerala, General Population
Table part II A p.29.

The Table 4.10 has thrown light upon the growth of urban population over the decades in different districts in Kerala. The rate of growth shows an upward trend. Quilon has recorded a higher rate of growth in urban population which is followed by Malappuram. Trichur has the third place in this regard. Palghat has recorded the lowest rate of growth in urban population. This sort of index would help the handloom marketing, organisation, to schedule product line and to formulate appropriate distribution strategy in various districts of Kerala. The discussion would be incomplete unless the growth of rural population has not been explained.

From the Table 4.11, it is understood that there is substantial growth in the rural population also. This table could be supplemented with the previous table and related to the consumption pattern to get the probable quantity that rural areas would require. This may also help to formulate the distribution strategy pertaining to the selection of rural retail outlets. The distribution strategy and decision with regard to the number of outlets in the distribution network can not be assessed if the density of population is not ascertained.

Table 4.11. Progress in Rural Population in the State of Kerala - 1901-1981.

(Figures in lakhs)

Year	1981	1971	1961	1951	1941	1931	1921	1911	1901
Person	206.82	178.80	143.49	117.23	98.36	85.91	71.21	66.23	50.92
Male	101.68	88.52	70.79	57.65	48.39	42.39	35.31	32.91	29.58
Female	105.14	90.28	72.70	59.58	49.97	43.62	35.90	33.32	29.34

Source: Census of India - 1981, Series 10 Kerala, General Population
Table Part II A. p.32.

Table 4.12. Density of Population in Kerala 1901-81.

Year	1901	1911	1921	1931	1941	1951	1961	1971	1981
Population per sq km	165	184	201	245	284	349	435	549	655

Source: Census of India 1981. Series 10 Kerala General Population Table
Part II A p.33.

It has been ascertained from Table 4.12 that the density of population per square kilometer is on the increase. The density for the present decade is found to be 655 per sq km.

4.2.3. Economic environment.

Market requires people as well as purchasing power. Total purchasing power would be a function of current income, prices, savings and credit availability. Marketers should take the economic environment as a barometer in deciding appropriate marketing strategies. These economic indicators are given in the further analysis.

The Table 4.13 shows that there is a steady growth in the gross national product both at current prices and the prices of base year. A trend akin to net national product has also been found. In the per capita net national product also a similar pace of growth is noticed. Nevertheless, the trend in the base year's price is not found to be proportional. The growth indicated a stagnancy in 1982-83 and in the subsequent year. The growth of per capita net national product from 719.5 in 1981-82 to 721.0 in 1982-83 is not so high. However, the growth in 1984-85 is substantial. The economic indicators thus show a comfortable situation.

Table 4.13. Gross National Product and Net National Product

Year	Gross National Product at factor cost (Rs crores)		Net National product at factor cost (Rs crores)		Per capita Net National product (Rs)	
	At current price	At 1970-71 price	At current price	At 1970-71 price	At current price	At 1970-71 price
1979-80(P)	95413	47233	88716	44136	1336.1	664.7
1980-81(F)	113907	50793	105804	47496	1558.2	699.5
1981-82(P)	130471	53467	120691	49935	1739.1	719.5
1982-83(P)	144884	54836	133457	51119	1882.3	721.0
1983-84(P)	171201	59043	157830	55100	2180.0	721.0
1984-85(P)	188459	61201	173207	57014	2343.8	771.5

Source: Handbook of Statistics on Cotton Textile Industry, ICMF, p.108.

P. Provisional Q. Quick Estimate

Table 4.14. Per capita Income of Different States

States	At current price				At constant price		
	1970-71	1979-80	1980-81	1981-82	1979-80	1980-81	1981-82
Andhra Pradesh	586(10)	1167(11)	1313(10)	1536(8)	631(9)	649(8)	718 (7)
Assam	535(13)	1063(12)	1221(12)	1380(12)	516(12)	558(12)	546(13)
Bihar	402(17)	795(17)	870(17)	NA	405(16)	420(18)	NA
Gujarat	829(3)	1641(4)	1866(4)	2211(4)	852(4)	865(4)	950(4)
Himachal Pradesh	678(7)	1288(7)	1523(6)	1659(5)	646(7)	694(6)	719(6)
Haryana	877(2)	1923(3)	2335(2)	2574(2)	957(3)	1057(2)	1074(2)
Jammu & Kashmir	548(12)	1301(6)	1496(7)	1630(6)	633(8)	673(7)	681(8)
Karnataka	685(6)	1208(10)	1314(9)	1458(9)	675(6)	637(9)	664(10)
Kerala	596(9)	1271(8)	1382(8)	1448(10)	613(10)	619(10)	636(11)
Madhya Pradesh	484(15)	864(16)	1134(15)	1217(14)	395(17)	489(15)	501(15)
Maharashtra	784(4)	2048(2)	2294(3)	2519(3)	998(2)	980(3)	1008(3)
Manipur	377(18)	945(14)	1052(16)	1045(15)	430(14)	462(17)	462(16)
Orissa	482(16)	931(15)	1147(14)	NA	424(15)	524(14)	NA
Punjab	1030(1)	2611(1)	2768(1)	3122(1)	1365(1)	1367(1)	1229(1)
Rajasthan	680(8)	1023(13)	1277(11)	1417(11)	534(11)	555(13)	585(11)
Tamil Nadu	581(11)	1210(9)	1197(13)	1373(13)	646(7)	615(11)	667(9)
Tripura	NA	NA	NA	NA	NA	NA	NA
Utter Pradesh	486(14)	721(18)	818(18)	929(16)	474(13)	477(16)	505(14)
West Bengal	722(5)	1413(5)	1553(5)	1595(7)	716(5)	761(5)	720(5)
All India	633	1333	1571	1750	667	700	720

Source: Census of India - 1981

Figures in parenthesis showed the rank

From the Table 4.14, it is ascertained that the State of Kerala has only rather a backward position in the per capita income when compared to other states. The marketers have to take the cue from this. The price strategy should suit this low rate of income. The sales promotion strategy may be adopted in such a way that people could afford the products or arrange in that way the people could possess goods at easy terms. Since the cloth being a thing the use of which could be postponed, the policy should be one of push strategy. The cost reduction, reduced distribution and administration cost and proper inventory management have to be cared for.

It is understood from the Table 4.15 that there is a general price spiral in all commodities. It had to be noticed that there is a considerable rise in the price index of food articles. This hints at the plausible consumption pattern of the people. Being an essential commodity the greater share of the disposable income would go to these primary articles. That would suggest that the consumption of durable item might be dropped. At the same time there has recorded a price rise in the raw cotton, yarn and dye stuff, in the recent years. A corresponding hike in prices of mill made cloth has also been found. This situation would require the efficiency in costs whether it is in production or distribution lest the handloom products should be considered costly.

Table 4.15. Index Numbers of wholesale prices Base: 1970-71 = 100

Period	All commodities	Food articles	Raw cotton	Cotton yarn	Cotton mills	Cotton textiles	Dye stuffs	Power fuel etc.
1979-80	217.60	186.6	164.4	221.6	192.6	198.2	226.8	283.1
1980-81	257.30	207.9	182.9	237.4	208.9	213.0	253.9	354.3
1981-82	281.30	235.1	227.3	251.4	231.3	228.2	267.0	427.5
1982-83	288.70	249.6	199.4	254.2	244.1	235.4	275.7	459.7
1983-84	316.00	283.2	221.6	262.6	252.8	246.4	285.0	494.8
1984-85	338.40	297.4	261.0	291.1	258.2	298.9	299.9	518.4
1985-86	357.80	317.8	215.5	291.2	269.6	265.4	330.2	579.9
1986-87	395.58	403.0	297.6*	NA	NA	NA	NA	NA
1988 July 23	432.8	408.2	314.8*	NA	NA	NA	NA	NA

Source: Hand Book of Statistics on Cotton Textile Industry, ICMF, p.112.
The Hindu Mar. 9, 1987. p.24.

* Figures were collectively for fibre.

4.2.3. Technological environment.

As far as the technological environment of the handloom industry is concerned, the improvement are found to be slow. Perhaps, the only noteworthy change that has occurred in the industry is the slight modifications in some of the existing looms like Kanchipuram, Nepal and Chitaranjan looms. As a result, their productivity has gone up to some extent. It is found that changes on the same line when adopted to traditional looms in Kerala have met with resistance. Another change that has taken place is the adoption of man-made fibre in the fibre mix of the handloom industry. The credit for this goes to Hantex and Hanveev as pioneers in this field.

4.2.4. Political environment.

Marketing decision is often affected by changes in political environment. This environment is made up of laws, government agencies and pressure groups that influence and create constraints to various organisations and individuals in Society. However, the handloom industry has been enjoying a protective policy since independence despite changes in political set up.

To mitigate the hardships of the industry, the State has encouraged co-operativisation and the formation of

state and national level corporations to ensure uninterrupted supply of yarn at steady prices. The supply of yarn is envisaged to be channelised through the depots of the National Handloom Development Corporation. Production of mixed and blended fabrics, reservation policy, removal of cost handicaps to make handloom products competitive, improving their marketing and promotional efforts and strengthening their data base through Handloom Census and refinance facility are some of the measures implemented by the State to uplift the handloom industry.

To probe into the problems of the industry, the Government had appointed a number of Committees and Commissions, viz. Kaungo Committee, Textile Enquiry Committee, Government of India Study Team, Powerloom Enquiry Committee, Ashok Metha Committee, Fact Finding Committee, High Powered Study Team on Handloom or Sivaraman Committee.

The various Industrial Policy Resolutions and Textile Policies announced by the State from time to time have emphasized the dire need of strengthening this traditional industry.

The Industrial Policy Resolution (1948) explicitly stated that the Cottage and Village industries had a very important role in the national economy. It fostered individual, village or co-operative enterprises.

Having realised the sublime features of decentralised industrial sector, the Industrial Policy Resolution of 1956, demanded that the State should restrict the volume of production of the large sector, provide differential taxation and subsidies and incentives, provide financial assistance to modernise techniques of production to increase competitive strength, encourage the formation of industrial co-operatives and pay constant attention to small and cottage industries.

Industrial Policy Resolution (1977) brought about a revolutionary change in the field of decentralised sector. It stressed on the programmes of quality improvement, bettering productivity, cost reduction and marked innovation for this sector. The policy statement created a new sector named 'tiny sector' and suggested the concept of appropriate technology. Formation of District Industries Centre to provide all the service except finance under a single umbrella, was a land mark in the provision of infrastructure facility to the decentralised

sectors. As a part of market expansion the Government Departments were directed to purchase their requirements from the decentralised sector.

The Industrial Policy Resolutions of 1980 and 1985 were sworn in to guarantee economic viability in the villages through a wider net work of village industries. These policy statements emphasized upon the need for updating production technology, quality improvement, co-ordinated effort to provide credit, market support and facile supply of raw material.

The Textile Policy (1978) stated that in the less organised and decentralised sector of handloom, khadi and sericulture, difficulties regarding the supply of yarn, suitable marketing arrangements and similar factors had resulted in a less than adequate growth rate. Difficulties regarding the availability of yarn at reasonable prices, marketing problems and competition from the powerlooms had been some of the reasons for this sorry state of affairs.

The Textile Policy (1985) had transferred the production of controlled cloth to the handloom sector. Further, the share of Union Government in the rebate was reduced the 30 days which was otherwise shared equally

by the State and Union Governments. Now of the total 101 days of rebate, the Central Government would share only 30 days rebate. The rest had to be borne by the State Government.

From the foregoing facts it is evident that the micro and macro environments of handloom industry is a mixture of strength, weaknesses, opportunities and threats.

Results And Discussion

CHAPTER V

RESULTS AND DISCUSSION

This chapter is divided into four parts. First part analyses the marketing strategies followed by various organisations. Data for this is based on the responses collected from the officers of the organisations and owners of the firms under study. The second part deals with the effectiveness of various marketing strategies adopted by the sample units. The third part comprises of consumer attitude towards marketing strategies of the handloom concerns. The last part accounts for the price spread of selected handloom items.

5.1. Marketing strategies followed by the organisations.

5.1.1. Market segmentation.

The survey among the sample units revealed that none of the organisations appears to have made a conscious and scientific effort to segment the market. According to the information gathered, the reasons for not undertaking the market segmentation are, the financial constraints and paucity of personnel as far as the Kerala State Handloom Weavers' Co-operative Society and the

Kerala State Handloom Development Corporation are concerned. The private firms of Trivandrum have felt that they enjoy already a certain assured market for traditional products and hence, the process of market segmentation is not essential. The private firms of Cannanore have a different case. The bulk of their business is based upon the orders received from the foreign buyers. They are required only to execute the orders canvassed according to the predecided specification, price and delivery schedule. The challenging task, these firms undertook is the securing of orders from the foreign buyers. Hence, in essence the private firms of Cannanore also are not in the habit of using market segmentation as a matter of strategy.

5.1.2. It is noted that none of the firms undertake any kind of marketing research activity, nor do they depend on any outside firms to perform the marketing research on their behalf.

5.1.3. Product.

The product line of the Kerala State Handloom Weavers' Co-operative Society and the Kerala State Handloom Development Corporation consists of

1. Dress materials
 - i. Traditional varieties
 - ii. Modern varieties
2. Towels
3. Furnishing materials
4. Bed room items
5. Readymade items.

The product line of private firms in Trivandrum district is found to have the following:

1. Dress materials (Traditional varieties)
2. Towels.

The product line of private firms in Cannanore district is comprised of;

1. Dress materials (Modern varieties with specialisation in cotton shirting materials)
2. Dress materials (Traditional varieties. only one unit is found to trade in these varieties).
3. Furnishing materials.
4. Ready made items in cotton.
5. Bed room items except mosquito nets.

Product design

As far as product designs are concerned only few design innovations are found in the traditional

varieties. Hence, only two items viz. cotton shirtings and furnishing materials are selected and the number of designs introduced in last four years are listed below.

Table 5.1. Design Introduction in Cotton Shirtings

Firms	Number of designs introduced in the			
	years			
	1984	1985	1986	1987
Hantex	9	14	16	23
Hanveev	8	15	17	21
Pvt 1	14	18	22	20
Pvt 2	12	24	18	26
Pvt 3	15	18	19	23
Pvt 4	10	16	18	25

Source: Primary data.

Pvt refers to Private firms under study.

The analysis excludes private firms of Trivandrum district since they have no shirting item in their product mix. The Table 5.1 shows that in introducing new designs in shirting materials, the private firms rank better and hence it may be presumed that they are conscious

of product development. Between Hantex and Hanveev, Hantex appears to be more concerned with the aspect of product development.

Table 5.2. Design Introduction in Furnishings

Name of the organisation	Number of designs introduced in years			
	1984	1985	1986	1987
Hantex	13	14	14	19
Hanveev	14	19	21	21
Pvt 1	38	40	47	53
Pvt 2	35	43	45	47
Pvt 3	40	48	45	50
Pvt 4	38	41	47	43

Source: Primary data

Pvt refers the private units under study.

The Table 5.2. accounts for the number of designs introduced by various firms in furnishing materials. The private firms of Trivandrum district is excluded, for they do not trade in furnishing cloths. It reveals that the private firms are more concerned with the introduction of new designs than that of Hantex and Hanveev

Perhaps, this might be due to the fact that Hanveev and Hantex cater only to the existing domestic markets. The approach of the private firms in introducing new designs can not be considered as their own innovative-ness. Because their source of design innovation is found to be the foreign buyers. The only exception found is a private firm in Cannanore where it uses the services of specialists in bringing forth new designs and patterns on a continual basis.

As a general observation it might be derived that no firm undertook product development on a scientific basis and did not appear to have considered it as a major marketing strategy.

From the survey it is also found that none of the firm has made product line analysis. Since the firm do not keep the sales figures item-wise, the contribution of different items to the total sales volume and profitability could not be ascertained.

All the firms under study except two private firms in Trivandrum district are found to have used institutional brand name. Hantex and Hanveev and all the four private units in Cannanore district have trade mark. Individual brand name has only limited application.

Only Hantex, Hanveev and one of the private firms in the Cannanore district are found to be using individual brand name.

The use of individual brand name as a powerful marketing strategy to instil brand loyalty among consumers, however, has not attracted attention of any of the units under study. Special packaging for their products is found totally absent in handloom marketing.

5.1.4. Price.

In setting the price, all the firms under study are found to follow only one step in the process of pricing viz. the estimation of the cost.

All the firms under study uniformly follow the cost-plus pricing method. Nevertheless, Hantex and Hanveev have followed demand oriented pricing method too. In the pricing of new product the firms have adopted the cost-plus pricing.

One private firm in Trivandrum and four private firms in Cannanore allow cash discounts and quantity discounts. In addition to these, one of the private firms in Cannanore resorted to seasonal discounts to combat the rebate which is allowed by the Hantex and Hanveev.

The Hantex and Hanveev have employed the promotional pricing only and the method used in this respect is rebate. During the rebate period of Hantex and Hanveev, one of the private firms in Trivandrum district is also found announcing rebate.

Historical price fluctuation in handloom products.

The organisation survey brings about the price trend of handloom products in various years. Here only a few commonest items are selected for the analysis. The selected varieties include the double dhoti (Small boarder), matching set (small boarder) 'kailee' and 'thorthu'.

The Table 5.3. reveals that there is wider change in the price tag of various organisations. The Hantex and Hanveev have always the highest price tag in all types of counts except in the case of 120_s x 120_s in the year 1988. Between Hantex and Hanveev, the former has a higher price tag in lower counts while the latter has a higher price in the finer counts. The significant difference in price range is noticed among the private firms too. In all the firms an unprecedented price rise has been noticed in the year 1988. This is due to the price rise of yarn in this year which has been explained elsewhere in the study.

Table 5.3. Price fluctuation of Double Dhoties
[In Rs.]

Year	Name of the organisation	Hantex	Hanveev	Pvt1	Pvt2	Pvt3	Pvt4
<u>Counts: 60x60</u>							
1984		35	31	29	27.50	NA	25
1985		38	34	31	29	24	25
1986		40	36	32	31	25.75	35
1987		42	38.75	33	33.25	27.50	36.25
1988		47	43	44	41	41	45
<u>Counts: 80x80</u>							
1984		40	37	NA	34.25	30	29
1985		42	39	NA	34.25	32	29
1986		44	41	NA	34.25	35	39
1987		46	43	49	38	36	39.50
1988		52.70	48.75	49.50	55.50	50	50
<u>Counts: 100x100</u>							
1984		45	46	NA	44	39.75	35
1985		48	48	NA	46	40	35
1986		50	50	NA	46	42	45
1987		52	55.25	41	48.50	45	49
1988		64.50	58.75	52.50	60	60	55
<u>Counts: 120x120</u>							
1984		52	55	NA	48	N11	40
1985		54	58.75	NA	48	N11	40
1986		56	61	NA	49.75	N11	50
1987		58	64	63	54	N11	55.75
1988		68	75	73	66	N11	65

Source: Primary Data.

Note: Pvt refers to Private firms from where data collected

Table 5.4. Price fluctuation in Matching sets
[in Rs.]

Year	Name of the organisation	Hantex	Hanveev	Pvt1	Pvt2	Pvt3	Pvt4
<u>Counts: 60x60s</u>							
1984		46	48	43	41	39	36
1985		46	50	44	41	41	39
1986		51	52	47.75	41	41.75	42
1987		54	54	60	43	44	44
1988		59	57	65	50	49	55
<u>Counts: 80x80s</u>							
1984		52	53	45	44	37.50	41
1985		56	55	48	44	38	44
1986		58.25	57	49	45	41	49
1987		60	59	68	47	43	53
1988		63	62	76	55	50	57
<u>Counts: 100x100s</u>							
1984		69	70	48	49	47.50	45
1985		72	71.50	51	49	50	49
1986		76	75	52	49	51.25	53
1987		79	77	70	51	67	57
1988		79	78	78	59	70	75

Source: Primary data.

Note: Pvt refers to private firms.

The Table 5.4 also shows a similar trend of price as has been found in the Table 5.3, but with an exception in the case of Pvt 1 in the years 1987 and 1988. Here the price of organised sector has been found to be lower than this particular unit.

Table 5.5 Price fluctuation of 'Kailee'
[In Rs.]

Year	Name of the organisation	Hantex	Hanveev	Pvt1	Pvt2	Pvt3	Pvt4
<u>Counts: 40sx40s</u>							
1984		20.00	20.70				19
1985		21.00	22.50				19
1986		23.00	24.50				21
1987		25.00	24.50				21
1988		28.00	27.00				24
<u>Counts: 60sx60s</u>							
1984		24.00	24.75				20
1985		28.50	28.80				31
1986		30.00	29.70				23
1987		30.00	30.15				23
1988		31.00	30.15				27
<u>Counts: 80sx80s</u>							
1984		29.00	28.50				25
1985		31.00	30.15				27
1986		32.25	31.05				30
1987		33.00	32.40				32
1988		33.50	34.20				35

Source: Primary data

Pvt refers to the private units under the study.

The price fluctuation of the three private firms is left out because they procure Kailees from the Tamil Nadu powerlooms. The Table 5.5 reveals that there is a price difference between Hantex and Hanveev. In many a year the price of Hantex has been found to be lower than the Hanveev. The price of the private unit is seen to be much lower than the organised sector.

Table 5.6. Price fluctuation of 'Thorthu' (Erezha grey)
[in Rs.]

Year	Name of the organisation	Hantex	Hanveev
Counts: 20s x 20s Size: 28" x 54"			
1984		3.50	3.75
1985		4.00	4.50
1986		4.50	5.00
1987		5.50	5.50
1988		6.60	6.25
Counts: 20s x 20s Size: 24" x 45"			
1984		3.00	3.00
1985		3.50	3.75
1986		4.00	4.00
1987		5.00	5.00
1988		6.00	5.00

Source. Primary data.

The Table 5.6 excludes the price fluctuation of 'thorthu' in the private sector as their source of supply is found to be the powerlooms of Tamil Nadu. Between the Hantex and Hanveev the price tag of Hantex is found to be comparatively lower.

These tables in general show that there is a constant rise in price of handloom products year after year. There is also a spurt in the price of items in the year 1988 which is the highest leap in the period of last five years. The reason of this has been the unprecedented price rise of the yarn in the year.

Another general observation is that the price of items in the organised sector is invariably higher than that of the private firms. This may be due to their pricing policy. The Hantex procures fabrics from the primary societies allowing the societies 10 per cent profit margin over and above their production cost. Above this price, the Hantex takes a profit margin of 25 per cent. So the final price is the sum total of production cost of the primaries, 10 per cent profit allowed to the societies and 25 per cent profit margin of the Hantex. The Hanveev also follows the same suit when it procures fabrics from the Co-operative Societies. In procuring fabrics from 'Clusters' the Hanveev need not follow this procedure.

The lower price observed in the private sector might be attributed to the proverbial efficiency that the sole proprietary firms have and the possible manipulation

in the payment of wages, dearness allowance etc. The final price charged by the organised sector is, in effect, 35 per cent over and above the production cost. But the primary societies price need not be in the same order as that of Hantex and Hanveev because, the primaries take only 10 to 20 per cent of profit margin over the production cost. During the rebate period, the selling price of items of the primaries gets further relegated to 10 per cent less than the actual production cost for the societies which charge only 10 per cent profit margin or gets equated with the production cost in case of societies which charge 20 per cent profit margin since the Government rebate is 20 per cent. The private firms are likely to purchase during this period, by which they get relieved of the risks of production and at the same time they can compete with the organised sector in respect of price.

5.1.5. Distribution.

The handloom units in the private sector of Trivandrum area undertake all the marketing channel functions except market research and physical distribution function while the private units of Cannanore area,

Hantex and Hanveev take up all the marketing channel functions except market research.

The Hantex and Hanveev follow an intensive distribution strategy with numerous retail outlets while the private organisations are found to have been adopting an exclusive distribution strategy where, the retail outlets chosen are minimum. The reason for this might be that they are sole proprietary concerns and have their own limitations in following intensive distribution strategy.

In the case of the distribution strategy, Hantex and Hanveev are found to follow different methods. While Hantex has set up its own show rooms with the exception of two agency show rooms which are run by service co-operative societies, the Hanveev has 24 show rooms of their own and 70 agency-show-rooms as in 1987-88. The agency-show-rooms are run mainly by the private fabrics shops who are paid commission for the sales.

The wholesaling functions that the firms under study undertake are carrying of stock, delivery of goods and owning and transferring titles to goods. It is found that these organisations do undertake some calculation for predicting the demand though in a rule of thumb manner.

The production is scheduled on the basis of orders received from the foreign buyers in the case of Cannanore based units. While other sample units have made forecast on the basis of past sales figures.

In deciding the location of the retail outlets the Hantex and Hanveev are said to have followed the criteria like the proximity to consumers, availability of space at lower rate of rent etc. The proximity to the consumers is judged on the basis of potential market centers. As the private concerns have only a limited number of show rooms, these considerations are not of much relevance

As far as the physical distribution functions are concerned, the four private firms in the Cannanore area, Hantex and Hanveev are found to undertake transportation and warehousing while private firms in Trivandrum take up only the storing functions. The firms have their own arrangements for transportation.

The inventory management of the private firms could not be quantified for want of data. However, they expressed the method in some descriptive form. Private firms of Cannanore region have usually maintained the stock of finished products to meet the delivery schedules for

three months and the stock of raw-materials for the two months production. The private sector units in Trivandrum maintained a certain per cent over and above the sales of the last year or previous season. The methods followed for estimating inventory level were also observed to be different in different organisations under study. While one of the firms in Trivandrum has maintained a stock of raw materials to meet the requirement of three months' production, other three units have kept stocks sufficient for four months production requirements. Since shortage in the supply of raw material has been common with both Hantex and Hanveev, the inventorying of the raw material has only relatively low importance. The inventories of final goods have been analysed hereunder.

Table 5.7. Inventories of final goods

Year	(value in lakh rupees)			
	Hantex		Hanveev	
	Sales	Closing stock	Sales	closing stock
1980-81	673.58	388.18	116.37	164.37
1981-82	791.61	468.76	174.71	209.96
1982-83	886.67	572.34	--	na
1983-84	823.80	596.27	--	na
1984-85	798.00	647.92	--	na
1985-86	811.00	707.10	--	na

Source: Annual Reports of Hantex and Hanveev

From the Table 5.7 it is understood that the stock position of the Hantex is on the increase year after year. In the case of Hanveev, data is not available for a longer period. From the available data, it appears that the stock position of the Hanveev is alarmingly high.

5.1.6. Promotion.

The survey reveals that only two private firms from the Cannanore district have adopted personal selling in their promotion strategy. The personal selling is limited to the meeting of the wholesalers and retailers.

The advertisement as a promotion tool is used by one private firm in Trivandrum, two private firms in Cannanore, Hantex and Hanveev. The media selected by the private units are confined to newspaper, brochures, and book-lets. The Hantex and Hanveev have in addition broadcast and bill boards.

The promotion expenditure includes expenditure on advertisement, Trade samples, Sales commission, cost incurred for exhibition and fairs. The Table 5.8 has clearly explained the per cent share of promotion expenditure to the sales and has found that the expenditure of Hantex is more than one per cent and less than two. But the promotion expenditure of Hanveev is found to be fairly high between five to seven per cent.

Table 5.8. Promotion Expenditure

Year	(Rs in lakhs)			
	Hantex		Hanveev	
	Sales	Promotion expenditure	Sales	Promotion expenditure
1980-81	673.58	5.84(0.86)	116.37	6.87(5.90)
1981-82	791.61	8.31(1.05)	174.71	12.94(7.41)
1982-83	866.67	7.55(0.87)	-	na
1983-84	823.80	11.19(1.36)	-	na
1984-85	798.00	13.36(1.67)	-	na
1985-86	811.00	14.04(1.73)	-	na

Source: Annual Reports of Hantex and Hanveev.

Figures in parenthesis show the per cent to sales.

The publicity is found to have adopted only by the Hantex, Hanveev and one each firm from Trivandrum and Cannanore. The private firm in the Cannanore region has only the annual report as a method of publicity while the private firm in Trivandrum has only the press kit. Hantex and Hanveev have press kit, annual report and public relation as methods of publicity. However, the public relation function is not undertaken by the organisations themselves but is being indirectly done by the Public Relations Department of the State.

Neither the target audience nor the medium of advertisement is critically analysed. Thus the push-blend and pull-blend promotion strategies may be said to be in vogue without any conscious effort. Because, the impact of these methods are never found to have analysed in terms of products in the market either during or after the promotional efforts have been put into practice. Further the private firms are found to give advertisement owing to the compulsion and persuasion of influential people of the locality. The Public Relations Department undertakes the publicity by way of charity, since it has been the policy of the Government to support the traditional industry.

Sales promotion tool is used by all the firms under study except three units in Trivandrum. Among the sales promotion tools, the rebate is used only by one private firm in Trivandrum. The rebate given by this firm, in a further analysis, is found to be merely a psychological discounting. The private firms in Cannanore region have adopted only fairs and trade shows as sales promotion tools. The Hantex and Hanveev have fairs, trade-shows, rebate (Government rebate) and credit sales to Government, semi-government and workers in the selected Corporations in their sales promotion mix.

No unit under study has a promotional budget with proper apportionment for the different promotional mix elements. It appears that the importance of promotional efforts as a powerful marketing strategy in linking the seller and the consumer is never occurred to any unit surveyed. This has also been evident from the consumer attitude survey undertaken for the study and is explained at a later part of this chapter.

5.2. Effectiveness of Various Marketing Strategies.

The organisational effectiveness and the efficiency of various marketing strategies are analysed by comparing the sales volume achieved by each organisation through various strategies.

5.2.1. Organisational effectiveness

The organisational effectiveness is attempted to be judged by the market share each sector has secured.

Table 5.9. Sales volume of Sample units

Year	(Value Rs in lakhs)			
	Hantex	Hanveev	Private firms of Trivandrum	Private firms of Cannanore
1980-81	673.58 (-)	116.37 (-)	na	na
1981-82	791.61 (17.52)	174.71 (50.13)	na	na
1982-83	866.67 (9.48)	270.62 (54.90)	172.46 (-)	324.80 (-)
1983-84	823.80 (-4.95)	333.60 (23.27)	185.65 (7.65)	300.74 (-7.41)
1984-85	798.00 (-3.13)	211.16 (-36.70)	197.53 (6.40)	395.15 (31.39)
1985-86	811.00 (1.62)	113.90* (-)	200.67 (1.59)	433.63 (9.74)
1986-87	na	138.70* (21.77)	204.41 (1.86)	448.38 (3.40)

- Source: 1. Annual Reports and Books and Accounts of Hantex and Hanveev.
2. Annual Reports and Balance Sheet and Profit and Loss Account of private firms of Cannanore
3. Primary data are collected from the dealers of Trivandrum.

Figures in parenthesis indicate the per cent change in sales over the previous year.

*These figures are for the Cannanore region of Hanveev.

The Table 5.9 shows the sales performance achieved by various firms. The sales figures of the private firms are given collectively for both the districts. The table reveals that the Hantex has the largest market share. The four private firms of Cannanore collectively accounts for second place in the market share. Hanveev occupies only a third place in this regard. The table also points out that Hantex and Hanveev have a fluctuating trend in the sales volume, while the private firms in Trivandrum and Cannanore have a constant up-trend barring the year 1983-84 in the case of Cannanore based concerns. When we relate the wider net work of show-rooms of Hantex and Hanveev, with that of private firms which have less than three show-rooms each, the sales performance of the Hantex and Hanveev could be stated as poor. The organisational support, therefore, does not contribute in augmenting sales despite their higher physical coverage of markets.

5.2.2. Sales performance of Hanveev through own show-rooms and agencies show-rooms.

Unlike Hantex, the Hanveev depends heavily on the agency show-room for their marketing. The agencies include private fabric shops, co-operative societies and

Departmental Stores. Hence, it became necessary to ascertain the relative share of these two types of channels.

Table 5.10. Sales Performance of Hanveev Channel-wise

(Rs in lakh)			
Year	Sales in Agencies show-rooms	Sales in own show-rooms	Total
1983-84	332.32(99.60)	1.28(0.40)	333.60
1985-86	80.07(70.30)	33.83(29.70)*	113.90*
1986-87	103.24(74.43)	35.46(25.57)*	138.7)*

*Figures related only to Cannanore Region of Hanveev. Figures in parenthesis indicate the per cent to the total.

The Table 5.10 throws light upon the share contributed by two types of channels to the total sales of Hanveev. In the year 1983-84, it is understood that almost the entire sales have been carried through the agencies. But in the later years the share of own show-rooms is found to have increased.

5.2.3. Rebate sales.

As a sales promotion tool the rebate sales occupies a significant role in the marketing strategy of Hantex

and Hanveev. It has actually been engineered to support the handloom industry and formed a part of Government policy to save the traditional industry. The actual cost of rebate is being borne by the Exchequer. However this is taken as a part of marketing strategy for the purpose of present analysis.

TABLE 2.11. SALES PERFORMANCE DURING THE REBATE SEASON

(Rs in lakhs)

Year	Rebate sales of Hantex	Rebate sales of Hanveev	Total sales		Percentage to total	
			Hantex	Hanveev	Hantex	Hanveev
1980-81	441.55	NA	673.58	-	65.55	-
1981-82	496.13	NA	791.61	-	62.67	-
1982-83	646.29	NA	866.67	-	74.57	-
1983-84	618.09	269.73	823.80	333.60	75.03	80.85
1984-85	610.72	174.95	798.00	211.16	76.53	82.55
1985-86	599.17	100.82	811.00	113.90*	73.88	88.51
1986-87	523.22	100.25	NA	138.70*	NA	72.86

Source: Annual Reports and Book of Accounts of Hantex and Hanveev.

* Figures relate only to the Cannanore Region.

The Table 5.11 has elucidated that 60 to 77 per cent of sales take place during the rebate season in the case of Hantex and it is fairly more than 80 per cent in the case of Hanveev barring the year 1986-87. This state of affair compels one to believe that the two major organisations with relatively sufficient resources are not prepared to adopt other aggressive marketing strategies.

5.2.4. Credit sales.

The credit sales has also a crucial role in the promotional mix of the two major handloom marketing organisations. There are different schemes for the credit sales - credit sales to Government and Semi-Government employees, credit sales to employees in selected corporations and credit sales to the employees of the marketing organisations themselves. The subsequent table exposes the share of credit sales to the total sales.

The Table 5.12 reveals that the credit sales accounts for more than 14 to 18 per cent to total sales for all the years as far as Hantex is concerned. However, the contribution of credit sales to total sales has recorded a higher per cent in the case of Hanveev. It registers 35 per cent in the year 1985-86 followed by a decline in the subsequent year.

Table 5.12. Credit Sales

(Rs in lakhs)

Year	Credit sales		Total sales		Percentage to total	
	Hantex	Hanveev	Hantex	Hanveev	Hantex	Hanveev
1980-81	95.91	NA	673.58	-	14.23	-
1981-82	122.74	,,	791.61	-	15.51	-
1982-83	142.77	,,	866.67	-	16.47	-
1983-84	125.55	,,	823.80	-	15.24	-
1984-85	123.65	,,	798.00	-	15.49	-
1985-86	150.62	40.22	811.00	113.90*	18.57	36.31
1986-87	151.41	34.94	NA	138.70*	-	25.19

Source: Annual Reports and Books of Accounts of Hantex and Hanveev.

* Figures relate to the Cannanore Region only.

5.2.5. Exhibition sales.

Exhibition is another major promotional tool used by the two major handloom marketing organisation. The returns from the exhibitions in the case of Hanveev could not be ascertained as the accounts are incomplete. As such the figures for the Hantex alone are used for the analysis.

Table 5.13. Exhibition sale

Year	(Rs in lakhs)		
	Total sales	Share of exhibition sales	Per cent to total
1980-81	673.58	41.87	6.22
1981-82	791.61	49.22	6.22
1982-83	866.67	71.84	8.29
1983-84	823.80	45.07	5.47
1984-85	798.00	48.56	6.09
1985-86	811.00	57.01	7.03
1986-87	NA	78.93	NA

Source: Books and Accounts of Hantex

The Table 5.13 reveals that exhibition sales have a significant impact upon the total sales volume. The share contributed by this sales promotion tool remains to be between five and eight per cent.

It might be pertinent to add here that the rebate, credit and exhibition sales periods often coincide and the increase in sales has to be assumed as the cumulative contribution of all these methods. A split up analysis of individual strategies is hence not possible.

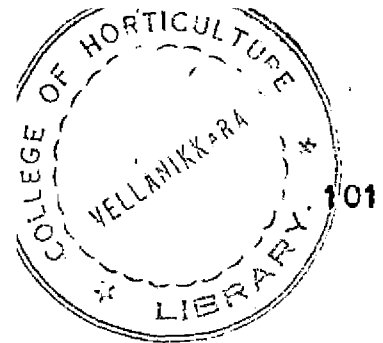
5.2.6. Sales to Government Departments.

Though this is not a part of any marketing strategy emanated from the initiative of the marketing organisations, the share of Government purchase from the organisations under study needs a mention. This is a privilege extended to the Hantex and Hanveev and accordingly the Government Departments are directed to purchase their requirement from these agencies. As the figures from Hanveev are not available, the figures with respect to the Hantex alone are shown.

Table 5.14. Government purchase

(Rs in lakhs)			
Year	Total sales	Government purchase	Per cent to the total
1980-81	673.58	40.00	5.94
1981-82	791.61	64.40	8.14
1982-83	866.67	59.36	6.85
1983-84	823.80	55.73	6.76
1984-85	798.00	43.52	5.45
1985-86	811.00	79.24	9.77
1986-87	NA	64.61	NA

Source: Books and Accounts of Hantex.



The Table 5.14 is sufficient to establish the size of this market segment. If the individual consumers have formed 94 per cent of the total market of Hantex in 1980-81, the Government agencies have accounted for only six per cent. It has grown to nearly 10 per cent in 1986-87. This market segment could be actually exploited by these firms further. In the interview with the officials, it is found that the Government Departments, Corporations and other Semi-Government agencies are reluctant to offer them the tender for obvious reasons.

5.2.7. Export trade of major marketing organisation

The export trade of handloom products needs a special mention for the following reasons. One is that it is a lucrative business as it enjoys concessional finance, export incentives and duty draw-back. Secondly, it is the outcome of a market development strategy which must be viewed crucial as far as this traditional industry is concerned. Thirdly, it is a field where much alertness, cost efficiency and other managerial talents are needed the most. Hence, the performance in the export front could be judged as the criterion for competitiveness. The Hantex does not undertake any export business. The private firms in the Cannanore mainly concentrate upon the export business. Only Hanveev in the organised sector

undertakes export trade to some extent. The following table would explain the point further.

Table 5.15. Export Trade

Year	(Rs in lakhs)			
	Hanveev		Private traders of Cannanore	
	Total sales	Export sales	Total sales	Export sales
1980-81	116.37	28.49 (24.48)	NA	
1981-82	174.71	23.84 (13.65)	NA	
1982-83	270.62	20.31 (7.50)	324.80	303.13 (93.32)
1983-84	333.60	4.25 (1.3)	300.74	297.83 (99.03)
1984-85	211.16	Nil	395.15	393.23 (99.52)

- Source: 1. Annual Reports of Hanveev
 2. Annual Reports of Private Handloom units in Cannanore.
 3. Balance Sheet and Profit & Loss Accounts of Handloom Units in Cannanore.

Figures in parenthesis show the percentage to the total sales.

The Table 5.15 indicates clearly the performance of sample units. It reveals that the private firms in Cannanore have a commendable performance in the export

trade. More than 90 per cent of their business concentrate at the global market while the performance of Hanveev is negligible in the export business. It has a significant performance in 1980-81 which has decreased year after year and finally vanished from the export business by 1984-85.

5.3. Attitude of Consumers towards the Marketing Strategies of Handloom Marketing Organisations

This part is arranged in the same logical order as that of the first part viz., product, price, promotion and other aspects but with a different purpose. The attempt here is to ascertain the effectiveness of marketing strategies from the point of view of consumers.

The questions of consumer survey schedule form the basis of this analysis. For the attitude survey, summated ratings or Likert method is used. A group of five statements are given to the consumers in respect of various aspects related to product, price, promotion to assess the attitude of consumers. The brand awareness and influence of media on purchase decision of textiles in general also have been analysed.

5.3.1. Product

Five statements relating to the various aspects of products are given to the consumers to rate. The

statements and their 't' values are given in the following table.

Table 5.16. Likert 't' values of the statements with regard to the product.

Sl. No.	Statements	Likert 't' values	
		Urban	Rural
1.	The quality of most of the handloom products of Kerala are upto the expected level	2.987 (5)	3.010 (4)
2.	Handloom products are less durable	4.223 (1)	4.752 (1)
3.	Handloom products are not maintaining old quality	3.432 (2)	1.421 (5)
4.	There is a variety of choices in handloom products now	3.427 (3)	4.586 (2)
5.	There is scarcity of good and needed variety of handloom products during rebate season	3.200 (4)	3.747 (3)

Source: Primary data.

Figures in parenthesis indicate ranking of 't' values in order of their magnitude.

The Table 5.16 shows that the strongest feeling of the consumers is in respect of the durability of the handloom products. The highest magnitude in this respect

showed that the majority of the consumers felt that the handloom products are less durable. In this respect the opinions of urban and rural areas are converged. In the first part of this chapter it has been established that the handloom firms in Kerala have taken no step to understand the needs and requirements of consumers with respect to products and product attributes. The relative stagnant position in the sales as has been shown in part two might be due to the negligence of the firms in developing and creating awareness among consumers on product attributes.

The third statement occupies the second place in the intensity of feeling of the urban consumers. The urban consumers feel that there is a degeneration in the quality of present day handloom products. But as far as rural consumers are concerned, their feeling is just the contrary. Both the rural and urban users of handloom products agree that there is a variety of choices in handloom products. The rural consumers have expressed strongly that there is scarcity of good and needed variety of handloom products during the rebate season. Nevertheless, the urban users do not feel the intensity as is felt by the rural folk.

The magnitude of the 't' values for the first statement records low for both rural and urban consumers. This shows that the majority of consumers have disagreed with the given statement. That is, the quality of handloom products of Kerala could not rise up to the expectations of the people in general. It points out the weakness of the organisations in stressing on the product features and product quality.

Besides this the consumers have been served with an open-end question to elicit various product complaints. This is presented in the Table 5.17.

Table 5.17. Product complaints

Product complaints	Frequency		
	Urban	Rural	Total
Unfast colour	58	62	120
Poor quality Kasavu	20	13	33
Incorrect measure	72	74	146
Lack of finishing	54	52	106
Susceptibility to wear and tear	59	67	126
Shrinking	56	63	119

Source: Primary data.

The Table 5.17 reveals that the incorrect measure is the strongly felt product defect of handloom products. Judging from the frequency distribution among the sample group. The complaint regarding the susceptibility to wear and tear has ranked second. This is in consonance with the earlier finding in the Table 5.16. The unfast colour is the another major defect noted by the consumers.

Shrinkage and lack of finish are other product defects which the consumers have recorded. The low frequency with respect to the poor quality Kasavu might not be an indication that the people have less complaint about it. Because, it falls under the costly variety and hence the purchase of Kasavu items might not be so frequent.

The aforestated findings particularly emphasize the fact that there are potential areas for product development. However, from the organisation analysis done supra provide that there is no conscious effort done at their end to incorporate attractive product features and to make the products well positioned in the market. It also points out the fact that the organisations under study market the products what they could produce and not to produce what the consumers want barring, of course, a few private firms.

5.3.2. Price

In the matter of price also five statements are used to measure the attitude of consumers. The result is presented in the following table.

Table 5.18. Likert 't' values of price element

Sl. No.	Statement	Likert 't' values	
		Urban	Rural
1.	Price of handloom products are comparatively high	4.513 (2)	3.527 (3)
2.	The benefit of rebate is not real as the prices of products are inflated for allowing rebate	5.675 (1)	3.727 (2)
3.	There is actual reduction in the prices of janatha cloth	2.312 (5)	3.057 (5)
4.	The produces of Hantex is priced higher than that of Hanveev	2.352 (4)	5.345 (1)
5.	The prices of handloom products of Kerala (that is, the clothings of Hantex and Hanveev etc) are higher than the products of other states like Cooptex	3.367 (3)	3.361 (4)

Source: Primary Data

Figures in parenthesis show the ranks of 't' values in order of their magnitude.

The highest magnitude is noted for the second statement among the urban consumers. It indicates that the urban consumers have felt that the benefit of rebate is not real.

It has only an effect of psychological discounting. The degree of intensity of attitude has ranked only second in the case of rural consumers for the same statement. What the rural users of handloom goods have felt strongly is that the products of Hantex have been priced higher than that of Hanveev. The urban sample group are of the opinion that handloom products are comparatively costly. The urban dwellers have the view that the prices of handloom clothes of other states are cheaper. This feeling is not quite agreeable to the rural consumers. The third statement has obtained the lowest 't' value. This implies that the respondents are not in agreement with the given statement.

The cumulative effect of all those statements, however, points out that inadequacies in the pricing policies followed by the organisations. It has already been stated that only cost plus and demand oriented pricing policies are followed in general. It is here that the segmentation of market become imperative so that price-quality-segment could be reconciled. This is supported by the fact that the attitude towards 'Janata' cloth pricing is given the last rank. This means that the consumers are not bothered about the price of cheaper varieties where it is believed to be taken for granted that quality in such cases is not at all a deciding factor.

5.3.3. Promotion

In order to measure the attitude towards the promotional aspect of the handloom industry, five statements are framed. In addition, brand awareness on various products has also been measured. An attempt is also made to ascertain the varying degrees of influence exerted by different promotional tools and media on the purchase decision of textiles in general.

The rural consumers have the opinion that the advertisement of handloom products emphasized on the quality aspect. For the same statement, urban consumers have accorded only a second place. For the urban users the highest magnitude is for the first statement that is the advertisement/publicity of Hantex and Hanveev is seen occasionally. The second highest 't' value of the rural consumer group is also found for the same statement. This means that the advertisement of these organisations is not so frequent. The 't' value for the fifth statement stood to be the third in order of magnitude among the urban group and fourth among the rural mass. This indicates that the sample group agrees with the statement.

Table 5.19. Likert 't' values for promotion aspect

Sl. No.	Statements	Likert 't' values	
		Urban	Rural
1.	The advertisement/publicity of Hantex and Hanveev are seen occasionally	6.488 (1)	4.899 (2)
2.	The advertisements of handloom products are enjoyable	3.169 (5)	2.067 (5)
3.	The advertisement of handloom products emphasizes on the quality aspect	4.486 (2)	10.530 (1)
4.	The advertisement of handloom products emphasizes on the price factor	4.076 (4)	3.571 (3)
5.	The advertisement of handloom producers of other states like Co-optex etc. is more appealing and frequent than that of Hantex and Hanveev	4.281 (3)	3.404 (4)

Source: Primary data.

The figures in parenthesis indicate the rank in order of magnitude of 't' values.

The opinion upon the second statement is spatially in agreement. It scored the lowest in the rural and urban areas. This means that the sample group have voted against the pleasantness of the message of their advertisement. In the organisational survey it has been found that these firms do not follow any systematic approach in the area of advertisement. Some organisations give advertisement because of external influence and for some others it was only a routine procedure. Care is not taken in assessing target audience, preparing the message, scientific selection of media, timing and apportioning of expenditure among various promotional mix elements.

Another point that the analysis brought out is that the respondents have tried to listen to the advertisements, taken pains to understand the contents of the advertisements and have also judged its appealing nature. The time schedule of advertisement of Hantex and Hanveev have been looked into and found that it is invariably given during the festival seasons.

An attempt is also made to measure the brand awareness of major brands of handloom items during the period of study. Brand awareness of institutional brands, product brand awareness on nationally reputed brands and product brand awareness on region wise handloom products of Kerala are measured

Table 5.20. Institutional Brand Awareness of Handloom Apex Societies and Corporations

Brand name	Urban n=75	Rural n=75	Total (2)+(3) n=150	Percentage to total
(1)	(2)	(3)	(4)	(5)
Hantex	69	72	141	94
Hanveev	33	46	79	52.67
Cooptex	70	68	138	92
Pontex	4	1	5	3.33
U.P.State Handloom	23	5	28	18.67
Handloom House	28	0	28	18.67

Source: primary data

The Table 5.20 reveals that the Hantex has a better scoring in the brand awareness. It is followed by the Cooptex which has more or less an equal level of brand awareness among the sample group. The Hanveev has only a third place in the awareness level. The U.P.State Handlooms and Handloom House have equal scoring and the awareness level on Pontex is found to be the least.

Table 5.21. Product Brand Awareness on Nationally Reputed Brands

Brand name	Frequency		Total (2+3) n=150	Per cent to total
	Urban n=75	Rural n=75		
(1)	(2)	(3)	(4)	(5)
Adayar	4	0	4	2.67
Banaras	70	70	140	93.33
Coimbatore	20	13	33	22.00
Dharmavram	18	6	24	16.00
Kanchipuram	71	70	141	94.00
Narayanpett	2	1	3	2.00
Pochampilly	45	18	63	42.00
Sholapur	35	43	78	52.00
Bengal	12	18	30	20.00
Venkatagiri	3	0	3	2.00
Kotta	11	0	11	7.33

From the Table 5.21 it is understood that the Kanchipuram and Banaras are the two prominent brands that the sample group are well aware of. The level of brand awareness regarding the brands like Sholapur, Pochampilly, Bengal, Coimbatore and Kotta are also found to be significant.

Since, the handloom products of Kerala are produced region-wise, and the handloom goods of each region have their own product attributes and these products are known

in that name, it is necessary to assess brand wise awareness among the study group. The result obtained is given in the Table 5.22.

Table 5.22. Product Brand Awareness on Region Wise Handloom Products of Kerala

Name of the Region or Brand	Frequency		Total (2+3) n=150	Per cent to total
	Urban n=75	Rural n=75		
(1)	(2)	(3)	(4)	(5)
Balaramapuram Handlooms	60	61	121	65.07
Chendamangalam Handlooms	36	35	71	47.33
Kasragode Handlooms	35	15	50	33.33
Trichur Handlooms	18	26	44	29.33
Palghat Handloom	16	20	36	24.00
Cannanore Handloom	19	24	43	28.67
Karalkada	22	4	26	17.32

The survey reveals that consumers are well aware of the Balaramapuram products which is followed by the Chendamangalam. The Kasragode handlooms has a third place in the degree of awareness among the study group. All other regional brands have relatively low rate of awareness.

Brand awareness depicted in the above analysis gives a clue that marketing strategies based on market segmentation is possible which would yield good results in specialising production and marketing of particular varieties in specified areas. However, as has been stated earlier, the organisations under study are yet to adopt this strategy.

5.3.3. Influence of promotion tools on purchase of cloths

The study of the influence exerted by the different promotion tools would be helpful to decide what sort of promotion tools to be applied. An attempt is made in this regard. The table has been arranged in a fashion to get the degree of preference as recorded in the survey. For instance, a_1 stands for the first degree of preference and a_2 for the second degree of preference and so on.

Those who hold the view that they are influenced by the advertisement in the first place, their responses would be recorded under a_1 and if the exhibition exerted influence on the buying decision only in the second place, that response would be marked under a_2 and so on. A respondent thus can have five responses from a_1 to a_5 . In order to know the spatial difference the response is categorised into urban and rural.

Table 5.23. Influence of promotion Tools on Purchase Decision.

Promotion Tools	Urban n=75					Rural n=75				
	Degree of influence in rank order (frequency)									
	a ₁	a ₂	a ₃	a ₄	a ₅	a ₁	a ₂	a ₃	a ₄	a ₅
Advertisement	20	22	30	1	-	23	18	28	5	1
Exhibition	22	26	27	-	-	22	33	15	5	-
Reduction/ rebate	31	27	17	-	-	27	23	21	4	-
Credit sale	3	-	1	20	23	2	1	9	55	8
Sales person	-	-	-	18	21	1	-	2	6	24

The Table 5.23 illustrates that the promotional tool like reduction and rebate sales have the highest degree of influence on the purchase decision of the study group irrespective of urban and rural area. Exhibition is the next highest item in order of preference for the urban area but advertisement is the next highest item in the rural area. Exhibition has very high influence in the rural area as it falls in the column a₂, while the reduction and rebate continued to be the highest in column a₂. Advertisement is found to be the highest second item under

the column a_3 in both area. Credit sales and sales persons have been the last in the order of preference.

5.3.4. Influence of mass-media on purchase of cloth.

As in the above case, the influence of mass-media on the purchase decision of cloth has been analysed. This might aid in the media selection for the handloom firms. In the similar way as above this has been analysed. The table in this respect is as follows.

Table 5.24. Influence of mass-media on the purchase decision of cloth

Type of Media	Degree of influence in rank order											
	Urban n=75						Rural n=75					
	a_1	a_2	a_3	a_4	a_5	a_6	a_1	a_2	a_3	a_4	a_5	a_6
Radio	12	21	29	9	4	-	23	27	11	10	3	1
Television	39	23	13	-	-	-	21	9	27	14	-	-
Film	13	21	23	18	-	-	19	24	31	-	1	-
News paper	5	9	4	30	23	4	11	20	5	33	2	4
Home Magazine	4	1	6	14	39	10	1	1	1	17	1	-
Posters	2	-	-	3	10	47	-	1	-	1	37	27

The Table 5.24 shows that the television media exerts the highest degree of influence on the urban buyers. But the rural buyers are mostly influenced by the radio.

In the second place also the television media has influenced the urban group while the radio continues to be the influencing media among the rural group. Film exerts influence in the third place as far as rural consumer group is concerned while radio influenced the urban buyers. The news paper as a media does not exert much influence on the urban consumers. A significant score is found only under the column a_4 . A relatively better place for news paper as a media influencing the purchase decision is found in the rural area. However, considerable score is found under the column a_4 . Home magazine has recorded a significant score in urban area though it is only in fifth rank. Nevertheless home magazine has a lesser influence on the purchase decision in the rural group. Poster has only last place among the media. The radio, television and film are found to be the prominent mass media.

5.4. Customer service and furnishing of show rooms.

Besides price, product and promotion the shop patronage depends upon the customer service and appealing decorative furnishing. Hence, an effort is put in to ascertain the quality of customer service and the level of attractiveness of the show rooms of major handloom marketing organisations under study. Here too Likert-method is used to measure these aspects. Six statements have been asked to the study group. The 't' values for this aspect is given in the Table 5.25.

Table 5.25. The Likert 't' values for customer service and furnishing of show-rooms.

Sl. No.	Statement	Likert 't' value	
		Urban	Rural
1.	Most handloom retailers serve the customer well	2.009 (6)	2.171 (5)
2.	Sales people of Hantex and Hanveev show partiality especially during rebate season	5.743 (2)	1.985 (6)
3.	Customer service of Hantex and Hanveev is poorer than Cooptex or other handloom show rooms	5.188 (3)	4.825 (2)
4.	The customer service of Hanveev is better than that of Hantex	2.568 (5)	3.432 (3)
5.	The show room of Hantex are more appealing than that of Hanveev	6.240 (1)	7.135 (1)
6.	The show room of Cooptex are more appealing than that of Hantex and Hanveev	4.770 (4)	3.207 (4)

The figures in parenthesis indicated the rank in order of magnitude.

The Table 5.25 reveals that the show-rooms of Hantex are found to be better furnished. Here the spatial difference in opinion is not found. The urban consumers have recorded high magnitude for the second statement.

That is the sales people of Hantex and Hanveev show partiality especially during the rebate season. This means that sufficient stock of needed varieties are not made available during the busy season like the rebate period. This problem reels out the lack of market research leading to wrong forecast of demand. But this opinion is the weakest in the rural area. A stronger feeling has been recorded for the third statement in the rural area which is also somewhat shared by the urban dwellers though not in the same intensity. This fact unveils the poor customer service of Hantex and Hanveev compared to the services of Cooptex.

5.5. Price spread

The increased productivity and ensuring of fair return to the producers, presuppose an efficient marketing system. The efficiency of marketing system has two components - technical efficiency and economic efficiency. The economic efficiency of the marketing system is generally measured in terms of price spread. The larger is the price spread, the lesser is the efficiency of the marketing system and vice versa.

However, the price spread can not be considered as an absolute proof unless the factors causing changes in price spread are identified and measured accurately. For instance, changes in price spread can be caused by the effect of shifts in the demand for and supply of products. Further more, the direction and magnitude of change in the price spread depends upon whether the price movements originate from the consumers demand or from the supply side. The price spread is also influenced by the cost of inputs for production including storage and transportation costs. In handloom industry all these factors do exert influence on price spread severally and jointly.

Methods of Measurement of Marketing Margins

This is the most important aspect of price spread. Its accurate measurement depends on how the different agencies perform various marketing services. There are three methods generally used for the calculation of marketing margins which are:

a) following the specific batch/lot of consignments through the marketing system and then assessing the cost involved at each of the different stages.

b) Submission of average gross margins obtained by dividing money value of sales minus money value of purchase by the number of units transacted by each type of marketing agency.

c) Comparison of prices at different levels of marketing over the same period of time.

Considering the special nature of the product, first and third methods have jointly been adopted in the study. For this analysis only one variety fabric is selected, viz., double dhoti of 60_s x 60_s count. As far as the production cost of primary handloom societies are concerned, the average cost of production of 10 primary handloom societies of Trivandrum district has been taken. The final price of the societies has differed from society to society, since they charge profit margin in varying rates. Nevertheless, it varies from 10 per cent to 20 per cent. For this analysis, 10 per cent of profit margin is assumed. Because, the procurement price of organised sector is based on this method. It is identified that the handloom goods of Kerala pass through the following channels.

1) Primary Handloom Societies - Consumers.

- ii) Primary Handloom Societies - Hantex/Harveev/
Handicrafts and Handloom Export Corporation/
All India Handloom Fabrics Marketing Society -
Consumers (domestic)/Distant Markets.
- iii) Private Handloom Units - Wholesalers - Retailers -
Consumers.
- iv) Private Handloom Units - Retailers - Consumers.
- v) Private Handloom Units/Primary Handloom Society -
Hawkers & Consumers.
- vi) Private Handloom Units/Primary Handloom Societies -
Commission Agents - Distant Market.
- vii) Private Handloom Units - Distant Markets.

Of these channels, only first, second and third channels are selected for the present study and even among these the channels involving distant market is also omitted.

In channel I the handloom products pass from the societies to the consumers directly. The price is relatively low if the profit margin is calculated at 10 per cent. This channel is found to be the most efficient one since the producers' share in the consumers' price is 90 per cent. Under this channel both the coproducers and consumers are benefitted.

Table 5.26. Margin for Double Dhoti (60_s x 60_r) under
different Marketing Channels

Particulars	(Amount in Rs)		
	Channel I	Channel II	Channel III
Cost of yarn and dye	21.65	-	19.97
Wages	9.80	-	8.00
Dearness allowance	3.92	-	-
Bonus	-	-	1.60
Production cost/procurement price	35.37 (90)	38.95 (79.98)	28.57 (71)
Imputed rent	0.03	-	0.07
Interest on capital (at 10 per cent)	2.17	-	2.00
Packaging/forwarding	0.14	-	0.27
Transportation	0.18	-	0.27
Administrative charges	0.08	-	0.47
Other establishment charges	0.30	-	0.34
Marketing cost	2.90 (7)	-	3.42 (8)
Profit margin	1.47 (3)	9.75 (20.02)	8.28 (21)
Consumers price	39.00 (100)	48.70 (100)	40.28 (100)

Source: Primary Data

Figures in parenthesis pertain to the percentage

In Channel II the handloom fabrics reach the consumers through the organised sector units like Hantex, Hanveev etc. The selling price of Hantex and Hanveev is worked out as 25 per cent on the procurement values. Thus the ultimate price under this channel is found to be the highest. As far as the primary societies are concerned these organised marketing institutions have to serve as an extension to their market. The very purpose of these institutions are to achieve economics of scale in production and marketing operations. However the analysis reveals that share of producers in the consumers' price is only 79.98 per cent. Hence under this channel the producers and consumers stand to lose.

Channel III is found to be the least efficient one as the producers' share is only 71 per cent in the consumers' price. Unlike in the channel I the cost of yarn and dye is found comparatively low, the benefit of cost efficiency does not percolate to producers or the consumers. However the final price of the products is low when compared to the Channel II.

The marketing cost of the retailers could not be ascertained because handloom products formed only a minor part in total sale of fabrics. The Channel V is excluded

from the analysis since the final price charged by the hawkers are discriminatory. In Channel VI and VII, the fabrics moved to distant markets outside Kerala and abroad through either commission agents or through the private firms themselves. Price spread for these channels could not be worked out for want of data and as it is outside the purview of the item selected for the analysis of price spread.

Summary

CHAPTER VI

SUMMARY

The strength of the handloom industry lies in its rich cultural heritage and economic importance. Another noteworthy feature of the industry is its rural bias and its dependence on the highly sophisticated spinning mills for its raw material supply.

Considering the crucial role of the industry in the economy, the state has designed three types of measures to overcome many of its disadvantages. The first type of measure is aimed to give the industry an organisational support to avoid the disadvantages arising from its small size. Accordingly the Kerala State Handloom Weavers' Co-operative Society Ltd. (1961) and the Kerala State Handloom Development Corporation Ltd. (1968) have been formed. The second type is comprised of financial support viz. subsidy, rebate etc., while the third group of measures consists of protection policies such as reservations in production and marketing.

This study is aimed at assessing the effectiveness of various marketing strategies that the marketing organisations in the industry have adopted. The study has also

made an attempt to analyse the price spread (margin) under various marketing channels. An attitude survey of consumers of handloom products has also been conducted with a view to understand the effectiveness of marketing strategies as perceived by consumers.

For the organisational study, Trivandrum and Cannanore districts are selected, because these two districts account for sixty four per cent of the handlooms. Further, the head quarters of Kerala State Handloom Weavers' Co-operative Society Ltd. (Hantex) and Kerala State Handloom Development Corporation Ltd. (Hanveev) are located respectively at Trivandrum and Cannanore. The private units are also found to be concentrated in these two districts.

Trichur district is chosen for the consumers survey because of its central location where the diffusion impact of the marketing strategies are expected to be normal.

The sample frame of the institutions consists of 10 units - four private units each from Trivandrum and Cannanore and Hantex and Hanveev.

The sample size of consumers has been 150 consumers which is equally distributed among rural and urban consumers.

For the analysis of price spread 10 primary handloom societies of Trivandrum district have randomly been selected and five each fabric shops and hawkers of Trichur are also selected.

The primary data are collected through structured schedules which are framed separately to the organisations and consumers. The Annual Reports of various institutions under study formed the secondary data.

Marketing Strategy has been defined as the marketing tools and techniques adopted by the business units to achieve their marketing objectives. Marketing strategy consists of making decisions on individual marketing mix elements, marketing expenditure and marketing allocations depending on the internal and external environments in which the unit operates. Marketing mix elements are product, price, promotion and place (distribution). Hence, the major part of the analysis is based on the four variables of marketing mix. The price spread or margin under various marketing channels is also analysed. The price spread has been defined as the producers' share in the consumers' price.

The methods used in the analysis are simple averages, percentages and attitude scale. The technique used in

attitude scale is Likert Method. This has been used to measure the perception of the consumers towards the various marketing strategies adopted by the organisations selected for the study.

Though marketing organisations employ powerful marketing strategies like rebate, credit sales etc., they lack a systematic and scientific approach. Market segmentation and market research are found to be absent. The product line is wider for Hantex and Hanveev while it is narrower in the case of private units. In 1987 Hantex and Hanveev have introduced 23 and 21 designs in shirting respectively while it numbers 20 to 26 in the private sector. In the case of furnishings it ranges from 43 to 53 in the private sector while it is 19 and 21 in Hantex and Hanveev respectively. The sample units lack scientific basis for their product development and product line analysis is found to be unpractised. Institutional brand name has been used by 80 per cent of the sample units. Only 60 per cent of the firms (Hantex Hanveev and four private firms in Cannanore) have registered their brand name. Individual brand name has been used by 30 per cent of the firms (Hantex, Hanveev and one unit from Cannanore).

In setting the price only one step in the process of pricing is followed by the units under study viz., the estimation of the cost. Most of the units under study have followed cost plus pricing while Hantex and Hanveev

have followed demand oriented pricing too. Cash discounts, quantity discounts and seasonal discounts are found to be used by private units, while Hantex and Hanveev have employed the rebate alone. The price tag of Hantex and Hanveev is found to be higher when compared with the price tag of private units.

The private units of Trivandrum region have performed all the marketing channel functions except market research and physical distribution, while other units have taken exception only to the market research function. When Hantex and Hanveev follow an intensive distribution strategy, the private units adopt only a selective strategy. Between Hantex and Hanveev, the mode of distribution differs. Hantex relies mostly upon own sales show rooms, while Hanveev depends heavily upon private fabrics shops as its agents.

The firms under study have taken up all the wholesaling functions. The forecast of demand is based upon the past sales figures. In deciding the location of the retail outlets, Hantex and Hanveev consider the factors viz. proximity to consumers and availability of space at lower rate of rent. The physical distribution function that the private sector units of Trivandrum have undertaken,

is only the warehousing. However other units perform both warehousing and transportation.

The inventory management of the private firms could not be probed in detail. The inventory of final goods of Hantex and Hanveev has showed an increase year after year. The value of closing stock in 1985-86 has amounted more or less equal to that year's sales. The closing stock exceeded the amount of sales in the case of Hanveev, in all the years.

The personal selling has been adopted only by two private firms of Cannanore district. The advertisement is the major promotional tool which has been resorted to by five units under study. The news paper, brochures and booklets are the major media. In addition, Hantex and Hanveev have depended on broadcast media too. Only a few handloom units under study have used publicity as a promotion tool. The Public Relation Department of the State has undertaken publicity work on behalf of the Hantex and Hanveev. However, the sample units have not adopted scientific procedure in the promotion programme. There is no systematic assessment on the impact of the promotion measures on sales.

As a promotion strategy, the rebate has the major impact on sales. It accounts for 62 per cent to 76 per cent

of sales of Hantex. The rebate sales tantamount to 72 to 88 per cent of sales of Hanveev. Credit sale is another promotion tool that influences the sales volume. It influences the sales of Hantex to the tune of 14 to 18 per cent. It is 25 to 35 per cent as in the case of Hanveev. The exhibition sales has ranked next to the credit sales. Its percentage share has varied from five to eight in the case of Hantex. The degree of its influence could not be ascertained in the case of Hanveev for want of accurate data. The share of government purchase from Hantex has worked out to five to nine per cent of the total sales. The data with regard to government purchase from Hanveev is not available.

The sales volume of the sample units is analysed and found that the Hantex has shown a positive trend in all the years except in 1983-84 and 1984-85. The Hanveev too show a positive trend except in the year 1984-85. The private firms in both the districts show an upward trend in sales growth in absolute terms except in 1983-84 as far as the Cannanore based units are concerned. Though the per cent growth in sales is positive, it shows a declining trend.

As far as the export trade is concerned, 93 to 99 per cent of the products of private firms in Cannanore is

meant for export. The export trade of Hanveev has shown a declining trend and it is nil in 1984-85.

The major chunk of sales of Hanveev is found to be effected through the private agencies. In 1986-87, 74.43 per cent of sales of Hanveev has been carried out through their agency show rooms.

Likert method is employed to measure the attitude of consumers toward various marketing mix elements. The brand awareness, the influence of various promotional mix elements and media influence on the purchase decision of textiles have also been studied.

The attitude survey has revealed that irrespective of area, the consumers are dissatisfied with durability aspect of handloom products. The urban consumers have felt that the handloom firms have failed to maintain old quality. However the rural mass have not fully agreed with this view. The rural consumers hold the opinion that there is a variety of choices in handloom products though the urban consumers do not share this opinion. The rural consumers have already felt the scarcity of good and needed variety of handloom products during the rebate season. This view has not been felt in equal degree of intensity by the urban areas. The urban and rural consumers have remarked that

the handloom products of Kerala are not up to the expected level. The consumers have also felt that the handloom products lacked fastness of colour, good quality 'Kasavu', correctness of measure, finishing, durability and fineness of texture.

The urban consumers have mistaken government rebate for psychological discounting. To a great extent the rural group have shared the same view too. But in fact, it is a subsidy allowed by the government to the handloom consumers. Hence a clarification is exigent. The urban class of consumers feel that price of handloom products is high. The rural consumer group do not feel it to the same magnitude. The rural consumers have strongly remarked that the produces of Hantex are priced high. The lowest magnitude of 't' value is found for the statement that there is actual reduction in the price of janata cloth.

The urban group felt strongly that the advertisement of Hantex and Hanveev are seen only occasionally. To a greater extent the rural consumers have also shared the same view. The highest magnitude of 't' value among the rural group is for the statement emphasizing on quality aspect in advertisement. This statement has been placed second by the urban group. Irrespective of spatial difference, the consumers have recorded the lowest magnitude for the statement that advertisement of handloom products are enjoyable.

The brand awareness test reveals that 94 per cent of sample group is aware of the brand named Hantex while Cooptex is familiar to 92 per cent. Only 52.67 per cent of consumers panel are aware of the brand called Hanveev. Among the nationally reputed brands viz., Kanchipuram, (94 per cent), Banaras (93.33 per cent) have the highest level of brand awareness among the sample group. Sholapur (52 per cent) and Pochampilly (42 per cent) have also a considerable degree of brand awareness. The Balaramapuram handloom has the highest degree of awareness (65.07 per cent) among the region-wise handloom products of Kerala which is followed by Chendamangalam handloom (47.33 per cent).

The influence of promotion tools and mass-media on the purchase decision of fabrics in general is studied (see the Tables 5.23 and 5.24) with a view to suggest promotion and media mix to the handloom industry. The analysis reveals that, the promotion tool named reduction/rebate sales is the most effective one irrespective of area despite the feeling of the sample group that this method is merely a psychological discounting (see the Table 5.18). Exhibition is the next best promotion tool that influences the purchase decision of urban dwellers. But the advertisement is found exerting influence on the purchase decision of the rural mass in the second place. Among the media, the television exerts highest degree of influence on the purchase decision of cloth among the urban sample group. But the broad-cast influences the rural consumers.

Irrespective of the regions, the sample group hold the view that the show rooms of Hantex are more appealing than that of Hanveev. The urban sample group have a feeling that the sales people of Hantex and Hanveev show partiality especially during rebate season. This view is not at all shared by the rural group. Instead the rural consumers have felt that the customer service of Hantex and Hanveev is poorer than that of Cooptex or other handloom show rooms.

For the study of price spread seven marketing channels are identified. First three channels are discussed in detail and others are excluded for either want of data or the product traded in those channels are outside the purview of the analysis. The first channel is found to be most efficient one since the share of producers in customers' price is 90 per cent. Under the second channel the producers have received only 79.98 per cent of the consumers price. In the third channel it tantamounts to 71 per cent only.

References

REFERENCES

- Anon. (1987). Cotton: Backtracking in Exports. Economic and Political Weekly. 22(27): 1052-1053.
- Anon. (1987). Export Markets and Marketing of garments. Marketology. 19(1): 13-17.
- Anon. (1988). Handloom Marketing Scene. Commerce. 156(4014): 33.
- Balasubramannyan (1987). Marketing strategy of Cooptex. Tamil Nadu Journal of Co-operation. 78(8): 56-58.
- Balasubramannyan, K. (1988). Strategy for boosting Handloom Sales. Commerce. 156 (4014): 29.
- Das, M.M. (1987). Preference for Cotton Apparel. Commerce 27(245): 3.
- Estimates Committee of Parliament (1978). Report of Handloom and Powerloom Industries, Part I, Handloom Industry. Lok Sabha Secretariat, New Delhi.
- Financial Express (1987). Tussle over Textile Market. Financial Express. 27(122): 8.
- Government of India (1982). Census of India 1981. Registrar General and Census Commissioner of India, New Delhi.
- Government of Kerala (1968 and 1976). Report on the Census of Handlooms. Directorate of Handlooms, Trivandrum.
- Government of Kerala (1982). Census of India 1981, Series-10, Kerala, General Population Tables. Directorate of Census Operations, Trivandrum.

Government of Kerala (1984). Statistics on Handloom Industry in Kerala. Directorate of Handlooms, Trivandrum.

*Guttman, L. and Suchman, E.A.(1947). Techniques of Attitude Scale Construction. Vakils, Peffer and Simon, Bombay.

Jimenez, E., Lockheed, M. and Wattanawaha (1988). The Relative Efficiency of Private and Public Schools: The Case of Thailand. The World Bank Economic Review. 2(2): 139-163.

Kotler, Philip (1987). Marketing Management. Prentice Hall of India, New Delhi, 5th Ed.

Kutty Krishnan, A.C. (1985). Economics of Handloom Industry in Cannanore District - Kerala. Unpublished Ph.D.Thesis submitted to Indian Institute for Social and Economic Change, Bangalore.

Market Research Wing (1986). Report on Income and Price Elasticities for Textiles. Textile Committee, Ministry of Commerce, Bombay,

McCarthy, J.E.(1980). Basic Marketing: A Managerial Approach. Richard D. Irwin, Illinois, 6th Ed.

Metha (1986). Textile Consumption. Marketology. 18(2): 17-25.

PTI Economic Service (1986). Handloom. PTI. 10(23):32-37.

Radhakrishnan, C.V. (1978). Product Mix and Profitability in Textile Industry. Commerce. 137(3524): 37.

Radhakrishnan, C.V. (1987). Handbook of Statistics on Cotton Textile Industry. The Indian Cotton Mills Federation, Bombay.

Hajagopalan, V. (1986). Handloom Industry in North and South Kerala - Study of Production and Marketing Structure. Unpublished M.Phil Thesis submitted to Centre for Development Studies, Trivandrum.

Ramakrishna (1986). Cost of Production: A Case Study of Handloom sector in Uttar Pradesh. Sultan Chand, New Delhi.

*Rangaswami Committee (1969). Handloom Products - A better Marketing System Needed. Economic Times. 376(1126): 3.

Rao, K.R. (1978). Consumer Behaviour. Commerce. 137(3524): 30-32.

Rao, Ramakrishna and Venkata, R.M.(1985). Strategies for Handloom Marketing. Business Standard. 11(252): 1-3.

* Reserve Bank of India (1965). Industrial Co-operative in India. Atma Ram & Sons, Delhi.

Reserve Bank of India (1987). Production of Cotton. RBI Bulletin. 41(4): 531.

Samuel (1983). Textile Marketing; A case study. Unpublished MBA Project Report Submitted to Cochin University, Cochin.

Sarah (1986). Handloom Marketing. Business Standard. 175 (1315): 22-27.

Sarngdharan, M.(1982). The Crumbling Handloom Industry. Vijnana Keirali. 13(5): 293.

Sen (1976). Behavioural Aspects in Textile Marketing. Commerce. 130 (1228): 12-15.

Shashi (1976). Export of Handloom products. Economic Times. 376 (1126): 2.

*Sivaraman Committee (1974). Protection to Handloom. Commerce. 157 (3524): 29.

Sreenivasan, R. (1969). Facing Competition from Man-made Fibres. Commerce. 119 (3057): 1090.

Stolz, H.H. (1987). Preference for Cotton Apparel. Economic Times. 27(245): 3.

Survey of Economic Times (1986). Garment export worth \$ 1800 crores is likely. Economic Times. 26(111): 1.

Textiles Committee (1969). Consumer Purchase of Textiles. Market Research Wing Textile Committee, Monthly Bulletin.(No.40): 11-13.

Unnikrishnan, E.(1975). Advertisement, sales proposal for Handloom Industry. Unpublished MBA Project Report submitted to Cochin University, Cochin.

* Originals not seen

Appendices

APPENDIX I

Production of woven Fabrics from cotton, man-made fibres and blends thereof -
Sectorwise in India

Year	Mill made				Decentralised sector				Total			Grand total
	Cotton	Blended	100 per cent non cotton	Total	Cotton	Blended	100 per cent non cotton	Total	Cotton	Blended	100 per cent non cotton	
1970	4157	87	1	4245 (47.53)	3692	62	932	4686(52.47)	7849	149	933	8931
1971	3957	148	2	4107 (47.88)	3399	100	971	4470(52.12)	7356	248	973	8577
1972	4245	98	1	4344 (47.52)	3777	101	918	4796(52.48)	8022	199	919	9140
1973	4169	129	1	4299 (48.26)	3602	121	886	4609(51.74)	7771	250	887	8908
1974	4316	124	Neg.	4440 (47.52)	3968	87	849	4904(52.48)	8284	211	849	9344
1975	4032	234	1	4267 (46.14)	4002	133	845	4980(53.86)	8034	367	846	9247
1976	3881	344	1	4226 (44.25)	4064	253	1008	5325(55.75)	7945	597	1009	9551
1977	3224	891	7	4122 (43.07)	3678	567	1203	5448(57.93)	6902	1458	1210	9570
1978	3251	983	12	4246 (40.25)	4074	765	1463	6302(59.75)	7325	1748	1475	10548
1978	3206	942	6	4154 (39.46)	4334	731	1308	6373(60.54)	7540	1673	1314	10527
1980	3476	696	4	4176 (38.40)	4838	535	1324	6697(61.60)	8314	1231	1328	10873
1981	3147	919	7	4073 (36.55)	4973	641	1458	7072(63.45)	8120	1560	1465	11145
1982	2347	680	8	3035 (28.87)	5490	585	1404	7479(71.13)	7837	1265	1412	10514
1983	2704	819	5	3528 (30.59)	5911	513	1582	8006(69.41)	8615	1332	1587	11534
1984 (P)	2573	786	7	3366 (28.44)	6257	467	1745	8469(71.56)	8830	1253	1752	11835
1985 (P)	2667	734	10	3411 (27.45)	6634	515	1867	9016(72.55)	9301	1249	1877	12427
1990 (T)	Na	Na	Na	Na (31.04)	Na	Na	Na	Na (68.96)	Na	Na	Na	Na

P = Provision figure

T = Targetted figure

Neg = Negligible

Figures in parenthesis indicate the percentage to the total

Source: Handbook of Statistics on Cotton Textiles (1985), ICMF, Bombay.

APPENDIX II

Export of cotton Textiles - Calendar-year basis

	(Rs in crores)									
	Mill made cotton cloth	Cotton yarn	Cotton apparel	Cotton hosiery	Other cotton manufactured item	Handloom cotton cloth	Handloom cotton manufactured items	Powerloom cotton cloth	Powerloom cotton manufactured items	Total foreign exchange earnings
1966	49.14(62.06)	8.69(10.77)	2.55(3.22)	0.17(0.21)	10.06(12.70)	6.73(8.52)	1.67(2.12)	0.08(0.10)	0.08(0.10)	79.17(100)
1967	59.37(64.95)	7.48(8.18)	2.46(2.69)	0.14(0.15)	12.76(13.96)	6.84(7.49)	1.85(2.03)	0.25(0.27)	0.25(0.27)	91.49(100)
1968	66.77(63.96)	10.69(10.24)	3.03(2.90)	0.22(0.21)	14.61(13.99)	4.59(4.40)	3.58(3.43)	0.30(0.28)	0.60(0.57)	104.39(100)
1969	63.09(53.70)	23.74(20.20)	4.37(3.72)	0.25(0.21)	13.74(11.69)	7.15(6.09)	4.16(3.54)	0.42(0.35)	0.55(0.46)	117.47(100)
1970	65.66(50.43)	26.88(20.65)	7.74(5.94)	0.26(0.19)	15.96(12.25)	7.42(5.70)	4.98(3.83)	0.61(0.47)	0.67(0.51)	130.18(100)
1971	66.60(52.71)	12.88(10.19)	11.77(9.31)	0.38(0.30)	17.73(14.03)	9.18(7.27)	6.45(5.11)	0.78(0.61)	0.57(0.45)	126.34(100)
1972	81.09(46.69)	22.74(13.09)	24.82(14.29)	0.88(0.50)	20.56(11.83)	14.77(8.51)	6.88(3.97)	1.30(0.75)	0.63(0.36)	173.67(100)
1973	137.58(51.85)	13.08(4.92)	47.64(17.95)	1.75(0.65)	26.31(9.91)	26.47(9.90)	7.88(3.00)	3.72(1.40)	0.90(0.33)	265.33(100)
1974	153.29(41.14)	19.39(5.20)	92.07(24.72)	5.28(1.41)	48.92(13.13)	33.23(8.92)	14.28(3.84)	4.09(1.09)	1.97(0.53)	372.52(100)
1975	100.28(32.39)	6.25(2.01)	111.90(36.14)	7.59(2.45)	37.54(12.12)	31.84(10.28)	11.09(3.58)	1.79(0.57)	1.30(0.42)	309.58(100)
1976	188.91(31.65)	22.39(3.75)	237.33(45.79)	10.84(1.81)	53.53(8.96)	50.19(8.41)	22.75(3.82)	5.92(0.99)	4.94(0.83)	596.80(100)
1977	141.57(23.36)	29.27(4.83)	231.86(38.26)	20.98(3.46)	56.29(9.28)	78.45(12.95)	31.04(5.12)	11.72(1.93)	5.37(0.88)	606.00(100)
1978	115.68(19.53)	13.95(2.35)	286.88(48.45)	14.22(2.40)	53.08(8.96)	62.24(10.52)	29.20(4.94)	14.93(2.52)	1.90(0.32)	592.08(100)
1979	177.97(24.15)	17.23(2.33)	343.14(46.56)	20.34(2.76)	63.94(8.67)	61.38(8.33)	24.60(3.34)	25.84(3.50)	2.49(0.33)	736.93(100)
1980	175.85(20.62)	17.49(2.08)	394.83(46.30)	42.89(5.03)	81.63(9.57)	82.72(9.71)	30.69(3.60)	20.83(2.44)	5.50(0.64)	852.73(100)
1981	156.06(16.28)	22.50(2.34)	483.75(50.47)	56.47(5.89)	94.36(9.84)	83.00(8.66)	40.20(4.19)	16.65(1.73)	5.50(0.57)	958.49(100)
1982	137.98(15.00)	27.29(2.96)	439.81(47.83)	47.33(5.14)	80.65(8.77)	66.35(7.21)	67.87(7.38)	23.64(2.57)	28.39(3.08)	919.60(100)
1983	173.09(17.98)	21.78(2.26)	476.50(49.49)	63.61(6.60)	59.07(6.13)	52.24(5.43)	66.51(6.91)	28.84(2.99)	21.00(2.18)	962.64(100)
1984	276.56(20.76)	36.19(2.71)	638.21(47.92)	89.21(6.69)	56.91(4.27)	96.39(7.24)	59.80(4.50)	55.37(4.15)	23.06(1.73)	1331.70(100)
1985	275.25(18.10)	42.74(2.81)	768.12(50.53)	104.89(6.90)	72.24(4.75)	94.40(6.22)	74.49(4.90)	62.28(4.09)	25.65(1.68)	1520.06(100)

Source: For figure upto 1980 - D.G.C.I. & S, Calcutta.
For figures from 1981 Texprocil/AEPC.

Figures in parenthesis represent per cent to total

APPENDIX III

Statewise distribution of looms in Co-operative Sector
on 30.6.1982

Sl. No.	State/Union Territories	Total number of looms (in lakhs)	Rank order
1.	Andhra Pradesh	5.29	1
2.	Assam	2.00	5
3.	Bihar	1.00	9
4.	Gujarat	0.20	16
5.	Haryana	0.41	12
6.	Jammu & Kashmir	0.37	13
7.	Karnataka	1.03	8
8.	Kerala	0.95	10
9.	Madhya Pradesh	0.33	14
10.	Maharashtra	0.80	11
11.	Manipur	1.00	9
12.	Orissa	1.05	7
13.	Punjab	0.21	15
14.	Rajasthan	1.44	6
15.	Tamil Nadu	3.56	3
16.	Tripura	1.00	9
17.	Utter Pradesh	5.09	2
18.	West Bengal	2.12	4
19.	Other States/Union Territories	<u>0.37</u>	13
		30.22	

Source: Annual Report & Review of All India Federation of Co-operative Spinning Mills Ltd. (19th) (1982-83), Bombay.

APPENDIX IV

District-wise distribution of loom - 1984

Sl. No.	Districts	No. of looms	Percentage to total
1.	Trivandrum	21,000	22.10
2.	Quilon	4,770	5.10
3.	Alleppey	1,025	1.10
4.	Kottayam	980	1.20
5.	Idukki	500	0.60
6.	Ernakulam	4,080	4.50
7.	Palghat	4,800	5.10
8.	Malappuram	1,563	2.10
9.	Calicut	14,700	16.10
10.	Cannanore	39,200	42.10
	Total	95,038	100.00

- Source: 1. Census of Handloom 1960 and 1968
Directorate of Industries & Commerce, Government of Kerala, 1968.
2. Industries, Industrial Labour and Information (1975), Planning Board, Trivandrum.

APPENDIX V

Organisation : Schedule

A schedule to collect details regarding the marketing strategies of organisations which market the handloom products:

The survey is conducted in partial fulfilment of the course M.Sc.(C&B) (Rural Marketing Management), College of Co-operation and Banking, Kerala Agricultural University.

Part I. Marketing segmentation in practice

1. Have your organisation tried to segment the market?

Yes/No

2. If yes, on what basis?

a. Geographic Segmentation

b. Demographic Segmentation ...

 i. Age and life cycle

 ii. Sex

 iii. Income

 iv. Multivariate

c. Psychographic segmentation

 i. Social class (ii) Life style (iii) Personality

 (iv) Occasion (v) Religion. (vi) User status

 (vii) Usage rate (viii) Loyalty status

 (ix) Attitude (x) Any other (specify)

3. Had the market segmentation helped you to increase the - ..
- a) sales volume
 - (b) Profit
 - (c) Product development/addition/alternation
 - (d) To assess the impact of promotional mix
 - (e) other benefits (specify)
4. If you have not tried to segment the market what are the possible reasons?
- a) Financial constraint
 - (b) Paucity of personnel
 - c) It is not need in handloom industry, If so why?
 - d) Unaware
 - (e) fear of additional cost
 - f) Any other (specify)
5. Have you estimated the possible cost of undertaking the market segmentation programme Yes/No
6. If yes, please give the details of the cost
7. If you have attempted for segmentation, how have you chalked out the programme?
- a) Taluk level
 - b) District level
 - c) State Level
 - d) National Level.
 - e) International Level
8. Do you have your own market research wing/outside agency?

Yes/No

Part II - Product

1. Please list your product mix
2. Please give the number and details of new product/
designs/additions/modifications you have developed.

Year	Cotton	man-made fibre	Blended items
1980			
1981			
1982			
1983			
1984			
1985			
1986			
1987			
1988			

2. How have you acquired new product idea?
 - a. Corporate acquisition
 - b. Patent acquisition
 - c. Licence acquisition
 - d. Own R & D wing/design centre
 - e. Contract new product development
 - f. Imitation
 - g. Others (specify)

3. In new product development, you follow the sequence -
- a. Idea generation
 - b. Idea of screening
 - c. Concept development/testing
 - d. Marketing strategy development
 - e. Business analysis
 - f. Product development
 - g. Market testing
 - h. Commercialisation.
4. Do you have a product classification system.

Yes/No.

5. If yes, on what basis?

- a.
- b.
- c.
- d.

6. Do you make product line analysis?

Yes/No

7. If yes, what is the purpose?

- a. to assess product line/item wise profit
- b. to compare competitors' product lines
- c. Others (specify)

- i.
- ii.
- iii.

8. Please give product line/itemwise sales since 1980:

9. Can you list out some of the product features of your items that your competitor does not have?

- a. Durability
- b. Reliability
- c. Texture
- d. Colour
- e. Correct measure/weight
- f. Comofort
- g. Finishing
- h. Design
- i. Economy of price

(specify)

- i.
- ii.
- iii.

10. Use of brand/brand name/Trade mark.

- a. Individual brand
- b. only Institutional brand
- c. No brand name
- d. Only brand name
- e. Only brand mark
- f. Both brand name and brand mark
- g. Trade mark

11. Do you have special packaging for your product?

Yes/No

12. If yes, what are the types and method of packing adopted?
- a.
 - b.
 - c.

Part III - Price

1. In setting the price you consider
- a. Selecting a pricing objective
 - b. Determining demand
 - c. estimating costs
 - d. analysing competitors price and offers
 - e. selecting a pricing method
 - f. selecting the final price
 - g. none of these.
2. What is the method of pricing you follow
- a. cost plus
 - b. break-even analysis and target profit pricing
 - c. perceived-value pricing
 - d. going-rate pricing
 - e. any other pricing (specify)
 - i.
 - ii.
 - iii.

3. In selecting the final pricing you consider
 - a. psychological pricing
 - b. company pricing
 - c. impact of price on intermediate and final consumption
 - d. government policies
 - e. Any other (specify)

4. The various price discounts and allowances allowed:
 - a. cash discounts
 - b. quantity discounts
 - c. functional discounts
 - d. seasonal discounts
 - e. trade-in allowances
 - f. promotional allowance
 - g. other allowances (specify)

5. As promotional pricing you follow:
 - a. special-event pricing
 - b. rebates
 - c. psychological discounting
 - d. any other

6. How do you price a new product?
 - a. market skimming pricing
 - b. market penetration pricing
 - c. cost plus
 - d. any other

7. Please state the market prices of the following items from 1980 to 1988:

Double Dhoti

60_s x 60_s

80_s x 80_s

100_s x 100_s

120_s x 120_s

Matching set

60_s x 60_s

80_s x 80_s

100_s x 100_s

Kaltee

40_s x 40_s

60_s x 60_s

80_s x 80_s

100_s x 100_s

Thorthu (Kerezha)

28" x 54" 20_s x 20_s

24" x 45" 20_s x 20_s

Part IV - Distribution

1. What are the marketing channel functions your organisation undertake?
 - a. Research
 - b. Promotion
 - c. Contact
 - d. Matching
 - e. Negotiation
 - f. Physical distribution
 - g. Financing
 - h. T risk-taking
 - i. Quality control
 - j. Others specify
 - i.
 - ii.
 - iii.
2. What are the strategies you follow with regard to intensity of distribution?
 - a. intensive
 - b. exclusive
 - c. selective.
3. What are the wholesaling function that your organisation take up?
 - a. anticipation of needs
 - b. carrying of stock
 - c. delivery of goods

- d. granting credit
- e. providing information and advisory service
- f. provide part of buying function
- g. own and transfer title to goods

4. How many retail outlets you have?

If you have different categories, specify them category-wise.

- a.
- b.
- c.
- d.

5. What are the criteria in deciding the location of the retail outlet?

- a. proximity to target consumers
- b. availability of place
- c. availability of space at lower cost
- d. sufficiency of the market
- e. Any other
 - i.
 - ii.

6. What are the physical distribution functions you undertake?

- a. Transportation
- b. Ware housing
- c. Both

7. What are the mode of transportation usually selected for the movement of goods?

- a. your own vehicles
- b. public carriers
 - i. Lorry
 - ii. Train
 - iii. Others (specify) . . .

8. How do you place orders with the production units?

-
-
-
-

9. Do you manage your inventory? Yes/No

10. What are the techniques used for inventory management?

-
-
-

11. How do Hantex/Harveev procure produces of their primaries?

- a.
- b.
- c.
- d.
- e.

12. What amount (quantity) of the total production of the primaries has been procured by the Hantex/Hanveev?
- a. Whole production is procured
 - b. only a part is procured
13. If only a part of their production is procured what are the reasons for that?
- a.
 - b.
 - c.
 - d.

Part V. - Promotion

1. What are the promotional methods you adopt?
- a. personal selling
 - b. advertisement
 - c. publicity
 - d. sales promotion
2. In personal selling, you have your own sales people meeting
- a. consumers
 - b. wholesalers
 - c. retailers
 - d. organisations
 - 1. Government
 - ii. Department stores
 - iii. Consumer Federation
 - iv. Others specify

3. Various advertisement media you depend on are:
 - a. broadcast
 - b. telecast
 - c. motion pictures
 - d. bill boards
 - e. home magazines
 - f. school and college magazines
 - g. brochures and booklets
 - h. news paper advertisements
 - i. any other (specify) . . .
4. Publicity methods you resort to are:
 - a. Press kits
 - b. Speeches
 - c. Seminars
 - d. Annual reports
 - e. Any other (specify)
 - f. Public relation
5. The sales promotion tools, you follow are
 - a. fairs and trade shows
 - b. demonstration
 - c. rebate
 - d. couponing
 - e. contests
 - f. games
 - g. credit sales to government employees and others

6. Expenditure on Promotion mix

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
a. Personal selling							
b. Advertisement							
c. Publicity							
d. Sales promotion							

Total							

7. While deciding the promotional programme you consider:

- a. identification of target audience
- b. determine communication objective?
- c. design message
- d. select communication channel
- e. develop the total promotion budget
- f. decide on the promotion mix
- g. measure the promotional results
- h. manage the coordinate the total marketing communication process

8. What method do you adopt for the promotion budget?

- a. affordable method
- b. percentage to sales method
- c. competitive parity method
- d. objective and task method
- e. none of the above
- f. if answer is 'e' specify other methods you follow: . . .

9. How do you apportion the promotion expenditure among various methods?
- a.
 - b.
 - c.

Part VI - Miscellaneous

1. Do you undertake export trade? Yes/No
2. If 'Yes' how do you market your products?
- a. Order
 - b. Design
 - c. Price
 - d. Export procedure
3. What are the problems you face in export trade?
- a.
 - b.
 - c.
4. If 'no' what are the reasons that prohibit you from export trade?
5. What are the marketing problems of handloom products?
- a.
 - b.
 - c.
 - d.
 - e.
 - f.
 - g.
 - h.
6. What do you think will be the prospects of handloom industry in Kerala?

- a.
- b.
- c.
- d.
- e.
- f.
- g.

7. What would be your valuable suggestions to improve the plight of the handloom industry?

- a.
- b.
- c.
- d.
- e.
- f.

Part VII - Details of the Organisation

- a. Name of the Organisation :
- b. Address :
- c. Year of establishment :
- d. Type of ownership :
- e. Number of share holders :
- f. Share capital :
- g. Reserves and surplus :
- h. Short term loans/w.c. :
- i. Long term loans :
- j. Fixed capital :

APPENDIX VI

Consumer survey:schedule

The survey is conducted in partial fulfilment of the course M.Sc.(C&B) (Rural marketing Management), Kerala Agricultural University.

Part I - Details of Respondents

Please give some information about yourself

1. Name:
2. Address:
3. Occupation:
4. Religion/Community:
5. Average expenditure on cloth:
6. Age: to 20 years 20-30 30-50 over 50
7. Sex: Male Female (Please put tick mark)
8. Education: Illiterate School Secondary
 School College Nongraduate
 Graduate Post graduate
9. You live: In the capital in a city in a town
 in a village
10. Monthly family income:
 Upto ₹ 200
 201 - 400
 401 - 600
 601 - 800
 801 - 1000
 1001 - 1500
 1501 - 2000
 Over ₹ 2000

Part II - General details of purchase of textiles

1. Please rank those who influence in the purchase of cloths:

(Please encircle the rank of your choice) 1 2 3 4 5 6

Ranks

- | | | | | | | |
|---------------------|---|---|---|---|---|---|
| a) Family members | 1 | 2 | 3 | 4 | 5 | 6 |
| b) Relatives | 1 | 2 | 3 | 4 | 5 | 6 |
| c) Friends | 1 | 2 | 3 | 4 | 5 | 6 |
| d) Salesmen | 1 | 2 | 3 | 4 | 5 | 6 |
| e) Tailor | 1 | 2 | 3 | 4 | 5 | 6 |
| f) reference group | 1 | 2 | 3 | 4 | 5 | 6 |
| g) Others - specify | | | | | | |

(i)

(ii)

(iii)

2. Please rank the sales promotional measures that influence your purchase of cloths.

(Please, encircle the respective ranks)

Ranks

- | | | | | | | |
|-------------------------------------|---|---|---|---|---|---|
| a) Advertising | 1 | 2 | 3 | 4 | 5 | 6 |
| b) Contests/games | 1 | 2 | 3 | 4 | 5 | 6 |
| c) Exhibition/show rooms | 1 | 2 | 3 | 4 | 5 | 6 |
| d) Reduction sales/rebate | 1 | 2 | 3 | 4 | 5 | 6 |
| e) Coupons/Lotteries | 1 | 2 | 3 | 4 | 5 | 6 |
| f) Sales persons/sales presentation | 1 | 2 | 3 | 4 | 5 | 6 |
| g) Any other - specify | | | | | | |

(i)

(ii)

(iii)

3. Please, rank the mass media that influence your purchase of cloths

(You may encircle the respective ranks)

	<u>Ranks</u>					
a. Radio	1	2	3	4	5	6
b. T.V.	1	2	3	4	5	6
c. Film	1	2	3	4	5	6
d. News paper	1	2	3	4	5	6
e. Magazines	1	2	3	4	5	6
f. Posters	1	2	3	4	5	6
g. Others (Specify)	1	2	3	4	5	6
(i)	(ii)	(iii)				

Part III - General details of Handlooms

Please put tick marks in the boxes which are relevant.

1. What are the different brands of handloom products you are aware of?

a. Hantex b. Hanveev c. Cooptex d. Any other specify.

i.

ii.

iii.

iv.

v.

2. Of the following handloom products of Kerala you are aware of

a. Balaramapuram products

b. Chendamangalam products

- c. Kasargode sarees
- d. Trichur products
- e. Palghat products
- f. Karalkada products
- g. Any other,

3. Of the following national reputed handloom fabrics, you are aware of

- a. Adayar
- b. Banaras
- c. Coimbatore
- d. Dharmavaram
- e. Kanchipuram
- f. Narayanpet
- g. Pochampilli
- h. Sholapur
- i. Any other

4. Have you got any complaints against the Kerala Handloom products?

- a.
- b.
- c.
- d.
- e.

Part IV - Rank the following statements

(Put a tick mark against the choice which you feel as correct)

Product

1. The quality of most of the handloom products of Kerala are upto the expected level.
- a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly.

2. Handloom products are less durable
 - a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly

3. Handloom products are not maintaining old quality.
 - a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly

4. There is variety of choices in handloom products now
 - a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly

5. There is scarcity of good and needed variety of handloom products during rebate season.
 - a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly

Price

1. Prices of handloom products are comparatively high
 - a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly

2. The benefit of rebate is not real as the prices of products are inflated for allowing rebate
 - a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly

3. There is actual reduction in the prices of Janatha cloth.
- | | |
|-------------------|----------------------|
| a. Agree strongly | d. Disagree somewhat |
| b. Agree somewhat | e. Disagree strongly |
| c. No opinion | |
4. The produces of Hantex is priced higher than that of Hanveev
- | | |
|-------------------|----------------------|
| a. Agree strongly | d. Disagree somewhat |
| b. Agree somewhat | e. Disagree strongly |
| c. No opinion | |
5. The prices of handloom products of Kerala (that is, the clothings of Hantex and Hanveev etc.) are higher than the products of other states like Cooptex etc.
- | | |
|-------------------|----------------------|
| a. Agree strongly | d. Disagree somewhat |
| b. Agree somewhat | e. Disagree strongly |
| c. No opinion | |

Promotion

1. The advertisements/publicity of Hantex and Hanveev are seen occasionally.
- | | |
|-------------------|----------------------|
| a. Agree strongly | d. Disagree somewhat |
| b. Agree somewhat | e. Disagree strongly |
| c. No opinion. | |
2. The advertisements of handloom products are enjoyable
- | | |
|-------------------|----------------------|
| a. Agree strongly | d. Disagree somewhat |
| b. Agree somewhat | e. Disagree strongly |
| c. No opinion | |

3. The advertisements of handloom products emphasize on the quality aspects.
- a. Agree strongly
 - b. Agree somewhat
 - c. No opinion.
 - d. Disagree somewhat
 - e. Disagree strongly
4. The advertisements of handloom products emphasize on the price factor
- a) Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly
5. The advertisement of handloom producers of other states like Cooptex etc. is more appealing and frequent than that of Hantex and Hanveev
- a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly

Customer service and Furnishing of showrooms

1. Most handloom retailers serve the customers well
- a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly
2. Sales people of Hantex and Hanveev show partiality especially during rebate season
- a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly

3. The customer service of Hantex and Hanveev is poorer than Cooptex or other handloom show rooms.
- a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly
4. The customer service of Hanveev is better than that of Hantex.
- a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly
5. The showrooms of Hantex are more appealing than that of Hanveev.
- a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly
6. The showrooms of Cooptex are more appealing than that of Hantex/Hanveev.
- a. Agree strongly
 - b. Agree somewhat
 - c. No opinion
 - d. Disagree somewhat
 - e. Disagree strongly

APPENDIX VII

Profile of the Consumers
Surveyed

Table 1. Occupational profile of the sample group

Sl. No.	Occupation	Urban	Rural
1.	Government employees and company employees	26 (34.67)	23 (30.67)
2.	Businessmen and Labourers	11 (14.67)	9 (12)
3.	Agriculturist and Labourers	10 (13.33)	28 (37.33)
4.	Students	6 (8)	6 (8)
5.	Professionals	10 (13.33)	3 (4)
6.	Others	12 (16)	6 (8)
	Total	75 (100)	75 (100)

Source: Primary data.

Figures in parenthesis represent percentage to total

Table 2. Religionwise distribution of the sample

Religion	Urban	Rural
Hindu	35	43
Christian	28	17
Muslim	12	15
Total	75	75

Source: Primary data

Table 3. Annual Average Expenditure on cloth

Sl. No.	Class interval	Urban	Rural
1.	Upto ₹ 500	11 (14.67)	25 (33.33)
2.	501 - 1000	14 (18.67)	16 (21.33)
3.	1001 - 1500	29 (26.66)	13 (17.33)
4.	1501 - 2000	12 (16)	10 (13.34)
5.	2001 - 2500	7 (9.33)	5 (6.67)
6.	2501 and above	11 (14.67)	6 (8)
	Total	75 (100)	75 (100)

Source: Primary data

Figures in parenthesis show percentage to total

Table 4. Agewise distribution of the sample group

Sl. No.	Age group	Urban	Rural
1.	Upto 20	9 (12)	5 (6.67)
2.	21 - 30	20 (26.67)	22 (29.33)
3.	31- 50	33 (44)	34 (45.33)
4.	51 and above	13 (17.33)	14 (18.67)
	Total	75 (100)	75 (100)

Source: Primary Data

Figures in parenthesis indicate percentage to total

Table 5. Sexwise distribution of sample group

Sex	Urban	Rural
Female	36 (48)	24 (32)
Male	39 (52)	51 (68)
Total	75 (100)	75 (100)

Source: Primary Data

Figures in parenthesis represent percentage to total

Table 6. Educational status of the sample group

Sl. No.	Literacy level	Urban	Rural
1.	Illiterate	3	6
2.	School	10	27
3.	Secondary school	4	16
4.	College	29	18
5.	Graduate	14	5
6.	Post graduate	15	3
	Total	75	75

Source: Primary Data

Table 7. Incomewise distribution of the sample

Sl. No.	Income group	Urban	Rural
1.	Upto Rs 200	2 (2.67)	5 (6.67)
2.	201 - 400	5 (6.67)	19 (25.32)
3.	401 - 600	8 (10.67)	12 (16.00)
4.	601 - 800	10 (13.33)	8 (10.67)
5.	801-1000	9 (12.00)	12 (16)
6.	1001 - 1500	8 (10.67)	5 (6.67)
7.	1501- 2000	20 (26.66)	8 (10.67)
8.	Over Rs 2000	13 (17.33)	6 (8)
Total		75 (100)	75 (100)

Source: Primary Data

Figures in parenthesis represent percentage to total

**A COMPARATIVE STUDY OF MARKETING STRATEGIES
OF CO-OPERATIVE, PUBLIC AND PRIVATE
SECTOR UNITS IN HANDLOOM INDUSTRY IN KERALA.**

BY
K. I. XAVIER

ABSTRACT OF A THESIS

Submitted in partial fulfilment of the
requirement for the degree

**MASTER OF SCIENCE IN CO-OPERATION AND BANKING
(RURAL MARKETING MANAGEMENT)**

Faculty of Agriculture
Kerala Agricultural University

COLLEGE OF CO-OPERATION AND BANKING
Mannuthy - Trichur

1989

ABSTRACT

'A Comparative Study of Marketing Strategies of Co-operative, Public and Private Sector units in Handloom Industry in Kerala', is aimed at assessing the effectiveness and relative merits and demerits of various marketing strategies followed by Hantex, Hanveev and private sector firms and price spread of selected fabric under different marketing channels.

The sampling frame consists of Hantex, Hanveev and four private sector firms each from Trivandrum and Cannanore districts. A consumer panel of 75 consumers each was selected from urban and rural areas to study the attitude of consumers on the marketing strategies adopted by the sample units. The attitude was measured using Likert scale. Price spread was analysed by collecting data from ten primary societies, five retail shops, and five hawkers after identifying seven different distribution channels. All the samples were selected randomly.

The various marketing strategies, viz., product, price, promotion and distribution were analysed. It was found that majority of the sample units were not in the practice of using these strategies. Even where these strategies were found in vogue, they lacked scientific basis as is evident from the conspicuous absence of market segmentation

and market research. Among the promotional tools, rebate period sales ranked first accounting for 75 to 80 per cent of sales falling during rebate period. Though exhibition and credit sales are effective promotional tools they were used simultaneously during the rebate period. Thus, instead of spreading the use of promotional tools, they were aggregated to cause the sales to be seasonal.

The attitude survey revealed that there are serious differences between conception of marketing strategies by the firms and their perceptions at the consumers' level. These differences were found obvious in product features, pricing, and use of promotional tools. The variations in the level of brand awareness affirms this lag. The only exception found was in the case of Hantex whose brands got the highest score. It was also found that opinions of rural and urban consumers diverged in many aspects. This is again a pointer towards need for using Market Segmentation and Market research techniques.

For the purpose of studying the price spread seven marketing channels were identified. The direct channel found to be appropriate both for producers and consumers ensuring 90 per cent share to the producers on the consumer rupee. In spite of the presence of Hanveev and Hantex, the margin was low in the second channel and third channel has given no benefit either to the producer or the consumer.