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**MARKETING STRATEGIES OF WOMEN MICRO ENTREPRENEURS IN  
SELECT DISTRICTS OF ANDHRA PRADESH**

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**ABSTRACT**

Marketing is a general term used to describe all the various activities involved in transferring goods and services from producers to consumers. An entrepreneur may come up with a great product and use the most efficient production methods to make the product success, but all the effort will have been wasted if he or she is unable to consummate the sale of the product to consumers. The importance of marketing in the modern business climate cannot be overstated. This suggests that small business owners must master the basics of marketing in order to succeed. This study examines the marketing strategies adopted by women micro-entrepreneurs from Srikakulam, Vijayanagaram and Visakhapatnam districts of Andhra Pradesh and analyzes the factors affecting those strategies. Data is collected in form of a questionnaire and is statistically tested to make findings and draw conclusions.

**Keywords**

Channels of distribution, Marketing, Market place, Microentrepreneurs.

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## INTRODUCTION

In the Macmillan Small Business Handbook, Stevens (1988) discussed four main areas of marketing in which entrepreneurs should concentrate their efforts: 1) determining the needs of customers through marketing research ; 2) analysing their own competitive advantages and developing an appropriate market strategy; 3) selecting specific target markets to serve; and 4) determining the best marketing mix to satisfy customers needs. The first three tasks are most appropriately performed when a start up business is preparing to enter a market, or when an existing business is considering entering a new market or promoting a new product. The marketing mix, on the other hand, includes the main decision areas that an entrepreneur must consider on an ongoing basis. Some elements of the market environment, such as the general economic conditions, are beyond a small business owner's control. But he or she can adjust elements of the company's marketing mix which consists of the "four Ps" product, place, price and promotion – to better fit the market environment. Many small business enterprises in India have been suffering from making sustainable profit due to marketing problems like lack of market study and consumer's analysis, standardization of products and quality improvement, lack of market information and absence of promotion, lack branding and packaging, introduction of products in national and international markets, same products with multiple pricing and so on.

## MARKETING STRATEGIES

Even if the financial profitability is not readily obtained in the short-term, marketing services must be provided in a market that guarantees long-term access to markets on the part of small producers. This implies developing a strategy based on the particular demands of a specific market, whether local, regional, or international, which then determines which services are necessary to assist producers in meeting that demand. Such demands may be identified by the marketing service providers through an exercise such as a sub-sector analysis. A sub-sector analysis is used to map out various players in the chain of events from producers to consumers with in a sub-sector, and identify where the constraints to meeting market demands exist. The marketing provider may then try to seek possible solutions to specific problems, such as shortage of raw materials, lack of storage facilities or market information, through the provision of integrated marketing services. This approach also seeks to find ways to capture more links in the value chain of the economic activities in which small producers are engaged, to the producers benefit.

Which services to provide, how, and for whom, are questions the marketing service provider addresses when defining its own strategy. Strategies serve to reach certain goals, such as profitability or social development. Successful providers of marketing services, like successful businesses, aim to develop unique strategies, which allow them to reach these goals. Aiming to assist small and micro producers in increasing their production and sales, service providers may choose to provide services at all levels, from the provision of raw materials to quality control to transportation of the goods, and meet all needs of the targeted clients. Institutions aiming for higher levels of cost-recovery may adopt a minimalist strategy, in which a limited number of clients are provided with a small number of critical services, for which cost-covering fees are charged.

The strategic direction is carried out defining the core elements of the organization: the mission, the vision, the global objectives, and the strategic planning implies to link the main elements of the organization, and the following four perspectives outlined by Kaplan and Norton (1993), that should combine the financial, internal business processes, learning and growth, and customer strategies. The last perspective is covered under the marketing strategy and is one of the fundamental pillars for the achievement of the objectives and the organisational success. Uncles (2000) stated that ‘it is concerned with the processes and activities associated to create and satisfy customers by continually assessing their needs and desires, and doing so in a way that there is a demonstrable and measurable impact on business performance’. Palmer and Pels (2004) complemented that ‘Market orientation is, therefore, a component of the overall business strategy, which is seen to contribute positively to business performance’. A factor that also plays an important role in the analysis of marketing strategies of the SMEs (small and micro enterprises) is the deployment, and formalization that is made, of the said ones.

### LITERATURE REVIEW

Schumpeter (1934) surveyed the relevant literature about entrepreneurs and brought up the term “entrepreneurship”. He believed that entrepreneurship is the cause for discovering, driving new combinations of production factors and create social economy. However, after Joseph Schumpeter, most scholars use the constructs and relevant variables presented by Miller and Friesen (1982) and Miller (1983) when measuring corporate entrepreneurship. And they add different variables aspects for distinct purposes, and therefore expand the contents of entrepreneurship.

Day (1994) considered “marketing capability” as the capability of an enterprise to utilize its knowledge, technology and resources to satisfy the needs of market or its customers. The success of an enterprise comes from the value it creates for its target customers by developing proper products or services and marketing methods. An enterprise needs to gather market information, improve marketing technologies, upgrades marketing skills and enhance management capabilities to adapt new challenges from markets. The capability of an enterprise has close relationship with its organizational processes and organizational capabilities most frequently used in aspects of new product development and service distribution.

Generally, possession of strong entrepreneurial orientation, strong generic strategies, and strong marketing capabilities are associated with superior SME firm’s performance (Becherer et al., 2008). The strength of firm’s marketing capabilities, its ability to communicate to the target market to increase sales and growth, is a driver of SMEs performance. Lee and Hsieh (2010) suggests a model that an enterprise needs to develop its organisational culture of entrepreneurship and the two kinds of capabilities, marketing and innovation, hopefully to enhance its sustained competitive advantage.

SMEs overall performance is often measured as growth in a market, market share, or profit. Firms that have strong marketing capabilities are able to target the right consumers, create brand identification and image that is conducive to growth and sales. Since each market that enters is different, a firm’s marketing capabilities must adapt to that market to see

success. If a firm had weak marketing capabilities and was unable to adapt to a culture or a market it would be reflected in that firm's overall performance measurements.

### OBJECTIVES OF THE STUDY

Present study examines the marketing practice adopted by women micro-entrepreneurs in Srikakulam, Vijayanagaram and Visakhapatnam districts of Andhra Pradesh and the underlying factors behind such practices. The underlying assumption is that participation in micro-enterprises has been accelerating the pace of development in the form of developing personal, social, economical and political empowerment of those downtrodden in the districts.

### RESEARCH METHODOLOGY

The design adopted for the present study is exploratory and analytical one. As the study is exploratory one, the data for the study has been collected both from primary and secondary sources. The secondary data has been collected from various published and unpublished sources. The economic survey of Andhra Pradesh and Directorate of industry, directories are the major sources of published data. In order to have in-depth analysis of the problems at the grass root level, primary data has been collected by the use of a structured questionnaire covering various aspects of the microenterprises run by women entrepreneurs in the said districts. The database of women entrepreneurs was collected from Andhra Pradesh state Financial Corporation (APSFC) and District Industries Centres (DICs).

The population for the present study is Srikakulam, Vijayanagaram and Visakhapatnam districts of Andhra Pradesh which are tribally dominated hilly terrains. As per the convenience of accessibility, 50 villages of Srikakulam district, 65 villages of Vijayanagaram district and 40 villages of Visakapatnam district are chosen. In total 300 respondents' views have been taken for analysis and interpretation.

### DATA ANALYSIS

For better interpretation and analysis of data, suitable statistical tools like percentages and chi-square test have been used. The test has been used to find out the significant difference between observed and expected frequencies. SPSS computer package has been used for statistical analysis of the collected data.

**Table 1: Market Place Vs Place of business**

		Market Place				
		Local market	Coop. Societies	Exhibition	Village fair	Total
Place of	Rural	238(91.5)	8(3.1)	12(4.6)	2(.8)	260(100)
	Semi-	16(64)	4(16)	5(20)		25(100)

	urban					
	Urban	7(46.7)	5(33.3)	3(20)		15(100)
	Total	261(87)	17(5.7)	20(6.7)	2(.7)	300(100)
	X <sup>2</sup>	45.606* (DF=6)				

About 91.5% of respondents in rural areas sell their products in local markets. It reflects that rural areas do not have much of marketing facilities except local weekly or bi-weekly Haat. In urban areas 46.7% of respondents sell their products in local market, 33.3% of respondents in co-operative societies and 20% in village fair. In semi-urban areas also percentages of respondents selling their products have evenly spread over all the places as indicated in the table.  $\chi^2$  test at 5% level of significance shows significant relationship between the places of business and the places where the women entrepreneurs sell their products.

**Table 2: Market Place Vs Age of Entrepreneurs**

		Market Place				
		Local market	Coop. societies	Exhibition	Village fair	Total
Age	Below 25 years	23(85.2)	4(14.8)			27(100)
	25-35 years	96(83.5)	7(6.1)	12(10.4)		115(100)
	35-45 years	115(87.8)	6(4.6)	8(6.1)	2(1.5)	131(100)
	Above 45 years	27(100)				27(100)
	Total	261(87)	17(5.7)	20(6.7)	2(.7)	300(100)
	X <sup>2</sup>	15.225NS (DF=9)				

Out of total respondents 43.67% and 38.33% belong to the age group of 25-35 years and 35-45 years respectively. Irrespective of age groups, 87% of total respondents sell their products in local markets only. It is due to the reason that there is less scope of selling their products in other places.

$\chi^2$  test shows that there is significant difference between place of sale and age group of women entrepreneurs' women of all age groups who sell their products in the local markets. So the local markets are the only place where the products of micro enterprises can be sold to the customers.

**Table 3: Market Place Vs Educational Qualification**

		Market Place			
		Local market	Coop. societies	Exhibition	Total
Educational Qualification	Illiterate	235(92.5)	17(6.7)	2(.8)	254(100)
	Primary	23(92)	2(8)		25(100)
	High school	20(95.2)	1(4.8)		21(100)
	Total	278(92.6)	20(6.7)	2(.7)	300(100)
	X <sup>2</sup>	14.294* (DF=6)			

It is observed that 84.67% of total respondents are illiterate and 15.33% of the respondents are having primary education or more. This clearly shows that lack of education is one of the important factors of their backwardness. 92.5% of illiterate respondents sell their products in local markets and only 7.5% illiterate women entrepreneurs are able to sell their products in co-operative societies and exhibitions.

Chi-square test shows significant relationship between education background of women entrepreneurs and the place where they sold their products. It can be inferred that literacy of women entrepreneurs has positive impact on the places of selling the products manufactured by them.

**Table 4: Market Place Vs Business background**

		Market Place				
		Local market	Coop. societies	Exhibition	Village fair	Total
Business Background	Business	69(84.1)	8(9.8)	6(6.1)		82(100)
	Non-business	192(88.5)	9(4.1)	14(6.5)	2(.9)	217(100)
	Total	261(87)	17(5.7)	20(6.7)	2(.7)	300(100)
	X <sup>2</sup>	14.211* (DF=6)				

It is observed from the above table that 72.33% and 27.67% of total respondents belonged to non-business and business background respectively. 87% of total respondents sell their products in local markets. Only 5.7%, 6.7% and .7% of total respondents sell their products in co-operative societies, exhibitions and village fair respectively. 84.1% of respondents with business background sell their products in local markets whereas 88.5% of respondents with non-business background also sell their products in local markets.

$\chi^2$  is significant at 5% level of significance. It can be inferred that background of women entrepreneurs influences the place of sale of their products. Women entrepreneurs sell their products in the local markets irrespective of business or non-business background.

**Table 5: Channels of Distribution Vs Place of Business**

		Channels of Distribution			
		Middlemen	Govt. agencies	Directly to consumers	Total
Place of Business	Rural	8(3.1)		252(96.9)	260(100)
	Semi-urban	7(28)		18(72)	25(100)
	Urban	5(33.3)	3(20)	7(46.7)	15(100)
	Total	20(6.7)	3(1)	277(92.3)	300(100)
	X <sup>2</sup>	100.193* (DF=4)			

To study the impact of place of business of women entrepreneurs on the channels of distributing products, it is categorized into three parts such middlemen, government agencies, co-operative societies and directly to customers. It is evident from the above table that as many as 86.67% of total respondents have a place of business at rural areas followed by 8.33% in semi-urban areas and 5% in urban areas. 96.9% of respondents in rural areas sell their products directly to the customers and only 3.1% sell their products through the middlemen. Whereas, in urban areas 46.7%, 33.3% and 20% of respondents sell their products directly to customers, through the middlemen and government agencies respectively. This shows that due to the lack of channels of distributions in rural areas, most of the women entrepreneurs fail to sell their products through other channels. In semi-urban areas 72% and 28% of respondents sell their products directly to customers and through middlemen respectively.

$\chi^2$  test at 5% level of significance indicates significant relationship between place of business of women entrepreneurs and the persons to whom they sell their products.

**Table 6: Channels of Distribution Vs Age**

		Channels of Distribution			
		Middlemen	Govt. agencies	Directly to consumers	Total
Age	Below 25 years	4(14.8)		23(85.2)	27(100)
	25-35 years	10(8.7)	3(2.6)	102(88.7)	115(100)
	35-45 years	6(4.6)		125(95.6)	131(100)

	Above 45 years			27(100)	27(100)
	Total	20(6.7)	3(1)	277(92.3)	300(100)
	$\chi^2$	11.502NS (DF=6)			

This table reflects that 92.3% of respondents of different group sell their products directly to the customers and others through middlemen and government agencies respectively. 85.2% of respondents below age of 25 years, 88.7% of respondents of age group 25-35 years, 95.6% of respondents of age group 35-45 years and 100% of respondents above age of 45 years sell their products directly to customers.

$\chi^2$  test shows that age group of women entrepreneurs and the channels of distributing their products have no close associate.

**Table 7: Channels of Distribution Vs Educational Qualification**

		Channels of Distribution			
		Middlemen	Govt. agencies	Directly to customers	Total
Educational Qualification	Illiterate	14(5.5)	1(.4)	239(94.1)	254(100)
	Primary	2(8)	1(4)	22(88)	25(100)
	High school	4(19)	1(4.8)	16(76.2)	21(100)
	Total	20(6.7)	3(1)	277(92.3)	300(100)
	$\chi^2$	12.288* (DF=4)			

Out of total respondents 84.67% are illiterate women entrepreneurs and 15.33% are having primary or more educational qualification. It is further observed that 94.1%, 5.5% and 0.4% of respondents who are illiterates sell their products directly to local customers, through middlemen and government agencies respectively. Whereas respondents with educational qualification advocated their views differently. 76.2%, 19%, and 4.8% of respondents with high school education became able to sell their products directly to customers, through middlemen and government agencies respectively.

$\chi^2$  test is significant at 5% level of significance. It reveals that educational background has direct bearing on the channels of distribution of products.



**Table 8: Channels of Distribution Vs Business background**

		Channels of Distribution			
		Middlemen	Govt. agencies	Directly to consumers	total
<b>Background</b>	Business	10(12)	3(3.6)	70(84.4)	83(100)
	Non-business	10(4.6)		207(95.4)	217(100)
	total	20(6.7)	3(1)	277(92.3)	300(100)
	X <sup>2</sup>	6.014* (DF=2)			

This table clearly shows that women entrepreneurs are of first generation. It is further observed from the above table that 92.3% of total respondents sell their products directly to customers and other sell their products through middlemen and through government agencies. 84.4% and 12% of respondents with business background made their sale directly to customers and through middlemen respectively. 95.4% and 4.6% of respondents with non-business background sold their products directly to customers and through middlemen respectively. It also reveals that there is a significant relationship between background of women entrepreneurs and the channels of distributions.

### FINDINGS

Women entrepreneurs having place of business at rural areas mostly sell their products in the local markets to promote their micro enterprises. Local markets are the major channel of distribution of products of the micro enterprises. Since local markets in tribal regions are not organized to boost the morale of women entrepreneurs, it is essential for the different agencies to come forward and establish marketing co-operatives in marketing the products produced by the women entrepreneurs in the said districts. Government non-Government agencies should implement sustainable marketing scheme to enable the women entrepreneurs to sell their products at least at reasonable price to have some margin or profit.

It is observed that there is no significant relationship between age of the women entrepreneurs and the market places where majority of respondents from all age groups are found to be selling their products in local markets. There can also be found no significant effect in case of channels of distribution irrespective of age groups.

The findings reveal that educational background has direct bearing on the place of selling their products in the market and also on the channels of distribution of products. The only place of market for the products of illiterate entrepreneurs is only local market and directly to customers. They are unaware of the different agencies or societies to market their products and are depending solely on only one way of marketing. Though it is encourageable to sell the products directly to customers to avoid high prices and cheating, it is not advisable

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for the entrepreneurs to depend on only one market strategy in view of very high volatile markets of today's economy. So literacy rate has to be improved rapidly to provide an impetus to promote women micro entrepreneurs.

It reveals that there is a significant relationship between background of women entrepreneurs and the market places. Entrepreneurs from nonbusiness background are depending only on direct consumers whereas entrepreneurs from business background are aware of other market strategies also. Same is in the case of channels of distribution.

### CONCLUSION

Marketing occupies an important place in the management, growth and development of MSMEs. Marketing mechanism here includes all the activities undertaken in transferring of goods and services from producers to consumers. The efficiency of marketing determines the sales volume and profits of MSMEs. Growth in sales is a major indicator of business performance and success. The availability of ready markets for the products reduces the inventory level and reduces the blockage of working capital for long period resulting in the growth of business. 87% of the respondents from districts are observed to have been selling their products in local markets, on the road sides door to door selling, etc. and remaining 13% of the respondents from districts are selling their products in other places like cooperative society, exhibition, village fair, etc. since most of the women entrepreneurs sell their products in local markets.

Channel of distribution of products is one of the important marketing strategies for the success of business. It is found that about 92.30% of respondents sell their products directly to customers in the local unauthorized markets at prices acceptable to customers resulting in regular flow of goods but not much of profit to the producers. Very few women entrepreneurs are aware of other agencies and are getting benefit out of those agencies or societies.

Most of the aforementioned findings have shown that women entrepreneurs in Srikakulam, Vijayanagaram and Visakhapatnam districts are of first generation entrepreneurs. Levels of education of women entrepreneurs and their business background have direct influence on their marketing strategies. It can be concluded that marketing facilities provided by government and non-government agencies are not reaching them or it is inadequate for them for different reasons. Finally, the literacy rate among the women micro entrepreneurs has to be improved considerably in the said districts of Andhra Pradesh to enable them to economically and socially independent.

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