Pricing Practices Of Exporting And Non-Exporting Units (A Comparative Study Of SSIs In Haryana)

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INTRODUCTION

Pricing is a very critical decision in Marketing Management. The main objective of the firm ,that is to earn profit, very much depends upon the correct pricing decision .After meeting all the costs involved ,the sales revenue generated must yield a surplus before there can be profits. The sales revenue, however, is materially effected by the price charged for the product. What price should be charged for the product is a critical question. Several factors-economic, social, political-influence the pricing decisions and others .It is a well known fact that small scale units face much difficulties in determining price .Due to lack of economies of scale and other reasons ,their cost of production is much more than large industries. So, they face severe price competition, because pricing more than large firms could ban their entry in the market and pricing below cost could generate more and more loss. So, proper practices regarding pricing should be adopted for earning profit and sustaining the market. As Small and medium enterprises are powerhouses of industry Worldwide, they account for massive 99.7% of all enterprises! Even in India, they comprise of 95% of industrial units, 70% of employment and 85% of exports.

In spite of excellent performance, these industries are facing a number of chronic problems in the area of finance, production and particularly, marketing. To ensure that the growth of these industries does not suffer due to various problems in key areas, the Central as well as State Governments have initiated and implemented a number of new programmes aimed at solving them. Yet, the growth rate of these industries has not been commensurate with the amount of efforts made. Even the units which had been established long ago do not find themselves capable of undertaking expansion and modernization of their production facilities. While many have closed down, others have fallen sick and are on the verge of a collapse. Small and Medium Enterprises(SMEs) are to reorient themselves in the knowledge in keeping in close contracts with customers regarding their product within the country and abroad leading to better marketing. It can be noted that during the past 50 years, the world's economies have undergone significant transformation from an almost pure production based value system to an intellectual and skill based value system leading to creative marketing approach.

SMEs future is more dependent on their ability to develop new products quickly, reach new markets and react swiftly to new threats. In this knowledge economy, the internet can be of help to a great extent. Knowledge management in the digital era helps in preparing SMEs for environment of constantly shifting demographics, industrial economics and, cluster needs by ensuring that people have expertise and information they need in order to assess the business problems and opportunities. Hence, the battle for survival of SMEs is dependent on obtaining information and remains competitive through information tool. The survival of fittest will held good for these SMEs who will be forerunners in introducing the creative marketing techniques and also to reap the harvest in time before the local and international competitors barge into his arena. The growth of small scale industries in India especially Haryana over the last two decades has been phenomenal. The pivotal role which the small industries play in India's economy can be easily recognized by the fact that these industries give employment to more than 4 lac people in the country. The small scale sector today accounts for 11percent of capital investment in manufacturing industries whereas, it contributes more than 40 percent to the total production.

Problems of small scale industries have become an important objective of our Five Year Plans. It is strongly felt that small scale units need to be developed faster in order to avoid concentration of economic power, to encourage dispersal of industries to different parts of the country, to defuse the technology from urban to semi urban and rural areas, to develop backward regions in the country, to promote production of a larger variety of consumer goods and essential commodities for consumption and to give more employment opportunities to a large number of people in the country. Despite the rapid progress which the small scale sectors have made, many units are still to develop adequate marketing skills to sell their products effectively in the market, especially in the face of keen competition from large

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units. To avail ourselves in the growing volume and profit opportunities in the expanding market in India, it is vital that small businesses should apply sound managerial skill and effective marketing strategy to expand its operations. The marketing strategy needs to be structured to suit the changing, growing and varying complexes of national and international markets. The efforts to develop small scale industries are done on both State level as well as National level. Various subsidies and incentives are given to make them strong. It is a well known fact that SSI industries come to existence, but the problem is to sustain these industries for a long time. The main problem is that the marketing of their products or disposal of their products takes time. However, these industries have been not able to play their role to full extent envisaged in our plans due to financial and marketing difficulties. Many units get sick during the first 2 or 3 years from their start and some of them have serious problem of survival.

OBSTACLES IN GROWTH OF SMALL SCALE INDUSTRIAL UNITS

Inadequacy of working capital, delay in sanction of working capital and time gap between sanction term loan and working capital.

- Obsolete technology.
- Inadequate demand and other marketing problems.
- Shortage of power.
- Infrastructural constraints.
- Poor quality service.
- Managerial deficiency.
- Fear and Competition.

MARKETING PROBLEMS FACED BY SSIs

- Improper package selection, mainly being done through experience by SSIs.
- Poor quality of packaging and printing.
- Fluctuation in raw material prices, making prices fixation difficult.
- Compelled to follow a particular price fixed by big manufacturers.
- Difficulty in modifying product for the desired price range.
- Unremunerative prices due to stiff competition.
- High cost of promotion/advertising.
- Lack of proper marketing information.
- Technology Lag.

A quick survey of sick units will convene any one of the very alarming fact of most sick units, the main ailment of sick units is not finance but marketing. These units come into production usually as planned but when products are put into market; the disposal takes time and stocks start mounting looking into most of scarce capital resources. This leads to either distress selling or slackening of production, eventually resulting in total stoppage of production cycle primarily due to lack of working capital and to pay wages. Hence, the crux of the problems of SSI enterprise is effective marketing rather than inadequacy of funds. So, the great needs of scientific study of marketing functions and problem of small scale industries is quite obvious. Marketing occupies an important place in the management of small scale industry; considerable difficulty is being experienced by small scale industrial units in marketing their products due to their size, limited scale of operations and inability to set up an adequate network of retail outlets. Activities such as brand building, extension of product portfolio, Nation wide advertising and huge sales force are the tasks best suited to the large scale sector. But it does not mean that the small scale sector itself should not do anything regarding promotion. The small scale sector can also use various marketing techniques.

The growth of SSI is hampered by various marketing factors like poor quality of packaging, difficulty in modifying the product as per the desired price range, high cost of promotion and lack of proper marketing information. The Government should increase market facilities and markets should be developed in rural and semi urban areas to make it easy for SSI to sell in nearby markets. The development of transport and communication throughout the country will help them to market their products easily. The present marketing techniques are not just selling and identification of needs of the consumer, but organizing production to meet the demand, pricing, publicity and advertising and culminating in sale of the product for a price.

REVIEW OF LITERATURE

In each and every research work, its planning and execution is highly dependent on the thorough review of literature on the subject. This helps the researcher to familiarize with work already been done and also helps to trace, accentuate and track down the gaps, the unexplored areas and those research problems that have not been covered or considered earlier, for future considerations and studies. The review of existing literature is not customary, rather, it is an essential part of research work. It also facilitates the comparison between the earlier findings and findings of the present study.

Subhash (1988) also found the pricing objective of 'coping with the competition' followed by 'sales growth' as most important objectives. He reports that monopolistic tendencies play a significant role in determining the prices of apparel items. This is due to the fact that differentiation happens through all possible means such as colour combination, style, designs and texture. In case of majority of firms, it is reported that export depends on the level of prices set by them as the export prices are generally negotiated. Hence, the role of quantity discounts in pushing exports is stated to be obscure. He comments that the negotiated price generally takes care of size of the order.

Brijesh Kumar (1991) In "Marketing practices of small scale industries in Rajasthan" observed that the small scale industries in their marketing practices are at a developing stage. So, the study suggested that product development technique, proper packaging, branding, price determination and promotion activities can make the SSIs capable to compete in the Global World.

Goyal (1992) observed that the basic pricing objective of the exporter is coping with competition and sales growth. It is found that most of the exporters are competitive in their policies on price setting in case of their domestic competitors. He further comments that as the products exported by India are generally of lower quality in comparison to other countries, the prices of Indian products are generally lower.

Rajesh Kumar (2005) in his study "Export marketing practices of selected pharmaceuticals companies in India" found that the global market place is forever dynamic because of changing paradigm, technological advances and shifting market preference. In order to sustain, presence in this highly competitive environment, the industry requires a highly focused strategy in the field of export marketing should adopt following recommendations given below

1. As far as the pharmaceutical companies are concerned, they should take proper steps against the counterfeit active ingredients and counterfeit finished products, so that these activities do not affect the profitability and market share.

2. The Pharma exporters should try to incorporate latest developments in their marketing programme to improve the market coverage.

Michael Tsiros and David (2010) in his paper "Ending a price promotion: Retracting it in one step or phasing it out gradually" said that a price promotion has been demonstrated to be profitable in the long run and it has been suggested that the seller should continue to employ them. Using the literature on both pricing and regret, the author developed a conceptual model of purchase likelihood and proposed a pricing tactic that appears to have market place potential. Sellers currently using a Hi-Lo pricing tactic discount a product for a limited time then raise the price back to its original level in one step .Here, authors investigate whether the sellers should return prices to their pre-promotion levels all at once or in steps .They propose that a seller should consider an alternative tactic, labeled "Steadily decreasing discounting(SDP).This alternative tactic requires that the seller offer one or more additional discount that are less than prior discount before returning to its original price.

G.M. Naidu and G.R. Naidu (2010) their article "Marketing strategies for exporting mango and mango products in India" examined the weakness of India's infrastructure and supply chain management and suggested viable marketing strategies to penetrate the European and North American markets. By changes in orchard management ,improvement in infrastructure, use of advance technologies and meeting food quality standards such as ISO:9001,HACCP, India has the potential to become the #1exporter in the export of mangoes.

M.Sarangadharan and V.S. Sunanda (2009) in their study "Effectiveness of the marketing system-A Study of Ayurvedic Health Tourism" analyzed that pricing decisions are made to fit the changing competitive conditions encountered by the products. Pricing decision is the determination of price of a product services, its market share and competitive situation. There should be scientific approach while making pricing decisions .It is essential that it may be fixed in such a manner that it offers maximum satisfaction to consumers and offers reasonable remuneration to the middlemen. The price of product service must be determined keeping in view the paying capacity of the consumer for whom the product is made, and must capture more share in the market and with similar products of competitors .An innovative approach is required to make the price competitive.

Sumanjeet Singh and Minakshi Patudy (2010) in their study "Online pricing: Art of price war" describes that to improve online pricing ,companies need to replace pricing groups with a new ,entrepreneurial pricing organization, so that it has it has the authority to experiment consultancy to change prices and to adopt quickly to shifting circumstances. Price discrimination strategy should be operated in isolation, but it should be used on the basis of delivery time, speed of operation, function ability and features, annoyance and convenience.

The present study is a step further to develop sufficient insight leading to formation of appropriate institutional arrangement to strength economic viability of small scale industrial units in Haryana and elsewhere in the country. This study will provide essential guidelines to planners, policy makers, administrators and exporters. This will also assist entrepreneurs to be cautious in planning, erecting and managing their units. It also forces the SSI entrepreneurs to enter in world wide business, so as to avoid common pitfalls resulting in dreaded industrial sickness. It is an attempt in that direction, with the main purpose of bringing out the pricing practices prevalent in these industries. It is a study of pricing practices of exporting and non-exporting small scale industries. So, it will also be helpful to boost the export of the country. The study was undertaken primarily with a view to examine the policy and practices related to product pricing.

OBJECTIVES OF THE STUDY

The proposed study is primarily aimed at bringing out the pricing practices of small scale units. Specifically, the objectives are stated as under:-

- To examine the policies and practices relating to pricing related to marketing in SSIs.
- To find out the differences between pricing practices of exporting and non-exporting units followed by them.
- To identify the gaps in those pricing practices which have failed to receive acceptance; and
- To specify the problems in the existing pricing practices of exporting and non exporting units.

HYPOTHESIS

Ho_1 — There Is No Difference In Pricing Practices Of Exporting And Non-exporting SSI Units.

RESEARCH DESIGN

Empirical and logical conclusions of research rest on accurate research design. It provides a basic framework for research. The present study has adopted descriptive research design. It has taken into account the survey and analysis of data of a cross section of sampling frame.

SAMPLE DESIGN

Multi stage random sampling method has been used in the study to select sample units. First of all, on the basis of district and number of small scale units in Haryana, the state was divided into two zones- low industrial development zone and high industrial development zone. Under low industrial development zone- Kaithal, Kurukshetra, Karnal, Jind and Panchkula are considered. While Faridabad, Gurgaon, Ambala, Yamuna Nagar and Panipat are taken as of being representative of high industrial development zone on the basis of random sampling. At first stage, 5 Districts from each zone were selected randomly. At the second stage, a sample of 240 non-exporting units and 60 exporting units were randomly selected. However, 50 units were closed from 2003 to 2005. So, fresh selection had to be made from the respective categories to make for the deficiency.

DATA COLLECTION

The data for the study "A comparative marketing practices of exporting and non-exporting SSI units in Haryana" has been obtained from both sources i.e. primary as well as secondary sources. Secondary data was collected from published and unpublished information provided by Directorate of Industries, Chandigarh, Development Commissioner, Delhi and District Industrial centre etc. Due to descriptive nature of the study, major chunk of data was collected from primary sources. The primary data was collected through a well designed questionnaire for measuring the marketing practices of small scale units. Under it, general information as well as information relating to marketing mix of the concerns or it can be said that information about 4 Ps (product, pricing, promotion and physical

Table 1 :District Wise Total Units And Sample Units In Haryana (2003-04)

Zone	District	Total Number of Units	Exporting units	Sample units
Zone-A	Fardiabad	11,234	99	30
SSI units>3500	Gurgaon	8,657	109	30
	Yamunanagar	4,809	11	30
	Panipat	4,244	54	30
	Bhiwani	4,111	6	30
	Ambala	3,882	13	30
	Sirsa	3,758	1	
	Hisar	3,533	4	
Zone-B	Karnal	3,091	18	30
SSI Units <3500	Jhajjar	2,976	13	
	Jind	2,975	3	30
	Rohtak	2,971	3	
	Kurukshetra	2,787	2	30
	Sonipat	2,602	40	
	Kaithal	2,413	3	30
	Narnaul	2,386	0	
	Rewari	2,342	13	
	Fatehabad	1,869	1	
	Panchkula	1,745	10	30

Zone-A High Industrial Developed Zone

Zone-B Low Industrial Developed Zone

Source Directorate Of Industries, Chandigarh.

distribution) are collected.

QUESTIONNAIRE DESIGN

It included questions related to all significant marketing activities with a view to seeking the desired information in the following categories-

- General information about sample units
- Price related information.

TECHNIQUES OF DATA ANALYSIS

Simple average method and standard deviation are being used intensively throughout the analysis. For comparing the pricing practices of exporting and non-exporting small scale units, t- test is applied.

SIGNIFICANCE OF THE STUDY

This study would bring out major findings and insights for SSIs marketing practices. After globalization, the Indian small scale sector is facing multiple problems. The findings of the study would help the small scale sector in introducing the changes in their pricing practices; develop strategies that would be helpful for SSIs in Haryana and Central Government policy measures for development of SSIs and their exports.

PRICING PRACTICES-AN ANALYSIS

What price is to be charged for a product is the most critical decision to be taken by the firm producing it. Price is customarily defined as the amount of money for which unit of any given good or service is exchanged. In fact, the pricing is the most important decisive area of marketing. It is the only element of marketing mix of a firm which produces revenue, while all other elements represent cost. It plays a distinctive role in determining the marketing success of a firm, irrespective of whether it is large or small. A wrong pricing decision can nullify the positive effect of correct decision relating to product distribution or promotion. Earlier, prices were set through a negotiation between the buyers and seller (s). The seller would ask for a price higher than he is expected to receive and the buyer (s) offering a price lower than would be prepared to pay. Ultimately, it is through bargaining that the two sides would arrive at a mutually acceptable price. But now, the practice of setting a single price for all buyers has come to rule. This acts as a major determinant to buyer's choice. However, in recent decades, non- price factors have become relatively more important in determining the buyer's choice behaviour. In case of small firms, prices are often set by the top management, the marketing or sales department having hardly any role to play in price determination. This study highlights some important aspects of pricing, such as:

- Pricing objectives.
- Factors influencing price setting.
- Pricing policies.
- Factors Influencing to Adopt Differential Pricing Policy.
- Pricing Strategies.
- Types of Discount.

Before setting the price of its product (s), a firm must be clear about the objectives it intends to achieve. This is necessary because each possible price will have different implications on profit, sales volume and market share. Many firms set prices as it would help to maximize their profits. Such firms estimate the demand and cost associated with alternative price and finally chooses that price which offers maximum profit, cash flow or return on investment. Prices, so determined, are often incompatible with the social objectives. Alternatively, price setting by a firm may be governed by achieving maximum growth in sales. It is often believed that this objective requires price setting relatively at low level, although a low price may not necessarily result in a higher volume of sales.

PRICING OBJECTIVES

The level, at which the price of any product item (or product line) is fixed, may lead to reaction from the competitors. Fixing the price high would invite more competitors into the production of the concerned items. Pricing a product too low, on the other hand, may not always be possible without attracting adverse consequences, although at time, it may be even served as means to reduce competition. Therefore, meeting competition may be yet another objective of pricing; some firms may be too keen to achieve a dominant market share. They are the ones which believe that a firm enjoying the largest market share will have the lowest cost and highest long term profit. Where this is the overriding consideration, a firm may go in for capturing the larger market share by setting price as low as possible. The position of sample exporting and non-exporting SSI units in terms of average scores obtained for different pricing objectives which they sick to achieve, is given in Table 2.

Table 2 :Pricing Objectives

Particulars	Exporting Units			Non-Exporting Units			t value	df	Sig. (2-tailed)
	No.	Mean	Standard Deviation	No.	Mean	Standard Deviation			
Increasing marketing share	60	1.9000	.30253	240	1.8875	.31664	.276	298	.783
Meeting competition	60	1.1000	.30253	240	1.1125	.31664	-.276	298	.783
Target return on sales	60	1.7000	.49745	240	1.7500	.63707	-.566	298	.572
Target return on investment	60	2.1500	.36008	240	2.1042	.30612	1.000	298	.318
Sales growth	60	1.0000	.00000	240	1.1125	.31664	-2.749	298	.006

It shows that both exporting and non-exporting SSI units highly preferred target return on investment or maximize their profits while increasing market share comes on second place and target return on sales on third. It is brought out on the basis of t-values that utmost, there is no significant difference in practices of determination price on the basis of importance of objectives except sales growth. In other words, it can be said that both adopt similar practices in price determination in regard of objectives.

FACTORS INFLUENCING PRICE SETTING

The price at which a product is offered for sale in the market is affected by price setting. The relative importance of each of these factors is brought out by both external and internal factors. Internal factors include interaction among the remaining three P's (product, promotion and distribution) marketing controllable and the cost. External factors include competitor's price, buyer behaviour, overall economic climate, Government polices etc. Out of these, cost of production, product demand, competitor's price, overall marketing condition and consumer paying capacity are some of the important factors which have a direct bearing on price setting. The relative importance of each of these factors is brought out in Table 3.

Table 3 :Factors Influencing Price Setting

Particulars	Exporting Units			Non-Exporting Units			t value	df	Sig. (2-tailed)
	No.	Mean	Standard Deviation	No.	Mean	Standard Deviation			
Cost of production	60	1.0167	.12910	240	1.1500	.35782	-2.838	298	.005
Consumer paying capacity	60	1.1333	.34280	240	1.4208	.49472	-4.251	298	.000
Product demand	60	1.3500	.48099	240	1.4875	.50917	-1.891	298	.060
Competitors price	60	1.2000	.40338	240	1.2792	.45874	-1.223	298	.222
Market conditions	60	1.5500	.50169	240	1.4833	.50077	.922	298	.357

Table 3 gives the distribution of average responses of sample units of different exporting and non-exporting units. In case of exporting units, market condition is the major factors which determines the price. On the other hand, in non-exporting SSI units, product demand is primarily considered. After market condition, exporting units, are considered. Product demand and competitor price have a larger impact on price. On the other hand, non-exporting units also need to be kept in mind after market condition and consumer paying capacity in determining the price. Ultimately, it can be said that there is no significant difference in factor consideration while determining price except cost of production and consumer paying capacity both by exporting and non-exporting SSI units on the basis of t-values.

PRICING POLICIES

Pricing policies provide the needed framework in which a firm can make reasonable, practicable and effective pricing decisions. It has been observed that firms with well defined set of pricing policies do find it convenient to make better pricing decisions than those having no clear cut pricing policies. A concern may choose a uniform pricing policy or differential price policy for the same product. To follow a single pricing policy means that the firm does not differentiate between customers. Such pricing policy leaves no scope for negotiation or bargaining. On the other hand, when multiple price policies were adopted, it means that different prices are charged from different customers, depending on size of order, old vis-à-vis new buyer, trade practices in export market etc. Table 4 (a) brings out the similarities and dissimilarities as to which of these policies are more predominantly used by exporting and non-exporting units.

Table 4(a) :Pricing Polices

Particulars	Exporting Units			Non-Exporting Units			t value	df	Sig. (2-tailed)
	No.	Mean	Standard Deviation	No.	Mean	Standard Deviation			
Uniform pricing policy	60	1.0000	.00000(a)	240	1.0000	.00000(a)			
Differentiated pricing policy	60	2.1500	.36008	240	2.1708	.59283	-.260	298	.79

The sample responses indicate that in adopting uniform pricing policy, both exporting and non-exporting unit have equal average or it can be said that both units are using uniform pricing policy equally. But on the other hand, average of using differential pricing policy is more than uniform policy. It shows that SSIs mostly adopt differentiated price policy -either it is exporting unit or non exporting unit. Under it, price depends on negotiation, size of order etc. ,t-value shows that there is no significant difference in adopting pricing policies .In other words , it can said both uniform and differentiated pricing policies are used equally both by exporting and non-exporting units. Various factors such as size of order, market condition, old-vis-à-vis new dealer/buyer etc. which enforce the concern to adopt differentiated pricing policy. Table 4(b) sheds light on factors influencing the adoption of differential policy to SSIs.

Table 4(b): Factors Influencing To Adopt Differential Pricing Policy

Particulars	Exporting Units			Non-Exporting Units			t value	df	Sig. (2-tailed)
	No.	Mean	Standard Deviation	No.	Mean	Standard Deviation			
Size of order/quantity	58	2.0000	.00000	175	1.9943	.07559	.575	231	.566
Trade practices in export market	58	1.2759	.45085	.0					
Market condition	58	1.2241	.42066	175	1.1600	.38297	1.078	231	.282
Old vis-à-vis new dealer/buyer	58	1.3103	.73046	175	1.2857	.70186	.229	231	.819

The sample results in Table 4(b) shows that order size or quantity is the most enforcing factor to adopt the differentiated price policy for both exporting and non -exporting units .In exporting units, trade practices in export market is the second most determining factor and then old vis-à-vis new buyer/dealer comes on the third place while adopting differentiated price policy. On the other hand, non-exporting units considered old vis-à-vis new buyer comes at second place and market condition is ranked at third place. On the whole, it can be said that on the basis of t-values, there is no significant difference in consideration of factors while adopting different pricing policy.

PRICING STRATEGIES

Marketers try to achieve their long run pricing objectives thorough both pricing policies and pricing strategies. Management utilizes pricing policies to guide itself generally in making pricing decisions over long periods. The pricing decisions management makes to fit the changing competitive situations met by a specific product are its pricing strategies. In this way, pricing policies are general and long run while pricing strategies are specific and in effect, for shorter periods. Selling price is the key element in the formulation of pricing strategies and the competitive situations changes with different states in the product life cycle. In the pioneering stage, marketer has four types of marketing strategies: Penetration Pricing, Skimming Pricing, Competitive Parity and Cost Plus Margin. Table 5shows the response of SSI units in this regard.

Table 5 :Pricing Strategies

Particulars	Exporting			Non-Exporting			t value	df	Sig. (2-tailed)
	No.	Mean	Standard Deviation	No.	Mean	Standard Deviation			
Penetration Pricing	60	2.630	.485	240	2.58	.502	.694	298	.488
Skimming Pricing	60	2.92	.278	240	2.99	.645	.4009	298	.000
Competitive Parity	60	1.05	.219	240	1.16	.377	-2.135	298	.034
Cost plus Margin	60	1.68	.469	240	1.64	.482	.663	298	.0508

Table 5 describes the position of SSIs in adopting different pricing strategies. It shows that in adopting penetration and cost plus margin pricing strategies, exporting units have higher average than non exporting units. The reason behind it being these concerns have to adopt penetration(less pricing) for entering or creating demand for their product in foreign competitive market at pioneering stage. But on the basis of t-values, it can be said there is no significant difference in adopting these pricing strategies between exporting and non exporting SSI units. On the other hand, in case of skimming and competitive parity strategies, non exporting units have higher average than exporting SSI units. In other words, it can be said that non exporting SSI units more frequently use these strategies than exporting units. The main objective of these units is to maximize their target returns on investment to maintain their market share. But on the whole, regarding skimming, competitive parity strategies, there is significant difference in practices of exporting and non exporting SSI units on the basis of t -values.

TYPES OF DISCOUNT

Producers and sellers usually offer a variety of discounts with manifold objectives such as increase in volume of sales, prompt recovery from debitor, disposal of old stock etc. For this, various discounts such as cash discount, quantity discount, trade discount, seasonal discount etc. are offered. Table 6 shows the response of SSIs in regard types of discount offered.

Table 6 :Types of Discount

Particulars	Exporting Units			Non-Exporting Units			t value	df	Sig. (2-tailed)
	No.	Mean	Standard Deviation	No.	Mean	Standard Deviation			
Quantity Discount	60	1.5500	.69927	240	1.4583	.70141	.906	298	.366
Cash discount	60	1.8667	.83294	240	2.1208	.86178	-2.057	298	.041
Seasonal discount	60	2.1667	.78474	240	2.3792	.75016	-1.944	298	.053
Trade discount	60	2.0833	.78744	240	2.4167	.72704	-3.123	298	.002
Special discount	60	2.2000	.83969	240	2.3833	.75638	-1.642	298	.102

It is brought out from the table 6 that on the basis of t-values,on the whole, there is no significant difference in offering various discounts except cash and trade discount both by exporting and non-exporting units. Sample responses indicate that exporting units are offering special discount largely and trade and seasonal discount subsequently. While on the other hand, non-exporting SSI units are offering trade discount highly but they are also providing seasonal discount and special discount to large extent. Responses also indicate that non exporting unit's average is higher in providing various types of discount than exporting units. In other words, it can be said that non- exporting units are providing various discounts more frequently than provided by exporting units.

FINDINGS

The study has been devoted to the discussion of some of the main findings flowing from the study along with valuable suggestions for policy implication. However, an attempt is made to put together some of the most important points emerging from preceding analysis. Although, the conclusions are based on sample data, but these are quite generic in nature so as to appreciate the fact that small scale industry has not so far been investigated with such objectives despite of the tremendous potential of growth that it carries. The findings are immensely useful in so far as they highlight the pricing practices followed by exporting and non-exporting SSIs and serves the basis of suggesting improvements as it would make it more competitive and achieve high growth in the changing scenario.

MAIN FINDINGS

Here, we shall put together some of the important points emerging from the analysis. Although the findings are based on data collected from sample units located in Haryana, but these highly represent the small scale units as a whole. For location and other considerations, Haryana is in fact the most ideal State for a study of this kind.

Generally, the small industrial units have been found facing acute price competition, this is obvious from the fact that meeting out competition continues to be over-riding consideration in price fixation in case of these units. It is observed that both exporting and non-exporting SSI units largely preferred the target return on investment or maximized their profits, while increasing market share comes on second place and target return on sales at third, t-values on this regard indicate that there is no significant difference in practices of determining price on the basis of importance given to objectives.

Among the various factors influencing price-setting, market condition has emerged as the most important factor particularly for exporting units and product demand has emerged as the most important factor for non-exporting units. Exporting units secondly considered product demand and competitors' price while non-exporting units have rated as the second most important factors to market condition and then consumer paying capacity. On the whole, it can be said that similar practices are adopted both by exporting and non exporting units.

As regards the choice of uniform pricing policy and differential pricing policy, a majority (75percent) of the units adopt differential price policy due to negotiated practices or bargaining practices prevailing in the market. Various factors influence a producer to adopt differential price policy. Among them, size of order is the most enforcing factor to adopt differential policy for both exporting and non-exporting units, while exporting units then consider trade practices in export market and old and new buyer. On the other hand, non-exporting units consider old Vis-a- vis new buyer secondly and then consider market condition. Overall, it can be said that there is no significant difference in factors consideration while adopting differentiated pricing policy.

Strategies are the counter move to get success in the era of competition. Responses got in this regard show that in adopting penetration and cost plus margin strategies, exporting units have higher average than non-exporting units. On the other hand, in case of skimming and competitive pricing strategies, non-exporting units have higher average. But on the whole, regarding penetration and cost plus margin strategies, there is no significant difference. But in adopting skimming and competitive parity strategies, significant differences are found out in practices of exporting and non-exporting units.

Regarding various types of discounts offered by the producers with such objectives as increasing sales, speedy realization of trade debts etc. cash discount and quantity discount emerged as the basic offerings. While for pushing the sales and for speedy collection from debitor, special discount is considered primarily by exporting units and then trade discount and seasonal discount were taken into consideration. On the other hand, non-exporting units primarily considered the trade discount and then they considered seasonal and special discount as the responses of the sample indicate.

CONCLUSION

On the basis of the findings, it can be concluded that Haryana's SSI are at a developing stage in regard of marketing activities. This is specifically true that marketing activities are the pushing force for expansion of any concern existing in a economy. Due to various incentives and benefits, SSIs concerns are coming into existence rapidly. But, the problem is related to sustainability of these concerns. The present study shows a major weakness in pricing. The present method of fixing prices is just like the rule of thumb. The standard formulate should be developed on the basis of cost appraisal of the product at Government level and SSI units should base their pricing strategies having due regard for the standard formulate as laid down by the Government. Efforts should be towards maximizing the market share than maximizing profit. Availability of imported goods, relatively of cheap quality without Maximum Retail Price and ISI labels posses a serious threat to domestic industries, particularly the small scale sector. Special discount should also be provided in addition of trade discount and cash discount The Government should look into the matter and take all appropriate measures to protect and promote the interest of the SSI sector.

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