

## Advertising Practices of Small and Medium Business: A study with reference to Nanded City

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### Abstract:

This research work explains media preferences such as local newspaper, T.V and other electronic, outdoor and miscellaneous media selected by small and medium size business firms operating in Nanded city. For the purpose of research sample survey was carried out by using 300 as sample size and responses were taken based on preferences of each firm out of the selected media. The weighted rating method was used for analyzing the survey results and finally conclusions are drawn from the facts of the survey.

Key Words: Media Preference, Small and medium Business.

### Introduction

In this age of multiple sources of media availability makes the decision making regarding media selection for advertisement very difficult. There are various media available like Print media in local news paper, Electronics, Yellow Pages, outdoor and Miscellaneous (Includes non traditional media such as digital or sending SMS on mobile). For the purpose of study sample was drawn by using convenient sampling technique. The business houses were categorized in three areas such as manufacturing, services and retailing business in Nanded city.

#### 1. Small and Medium Business:

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:<sup>6</sup>

(a) **Manufacturing Enterprises-** The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951). The Manufacturing Enterprise is defined in terms of investment in Plant & Machinery.

(b) **Service Enterprises:** The enterprises

engaged in providing or rendering of services and are defined in terms of investment in equipment.

The limit for investment in plant and machinery / equipment for manufacturing / service enterprises, as notified, vide S.O. 1642 (E) dated 29.09.2006 are as under:

#### 2. Survey Analysis:

Small and medium business houses were asked to rank the media preferences from 1 to 5 (1 being most preferred and 5 least preferred) for advertising their products and services. The various options given to them for ranking were print media, electronic media, outdoor media and the miscellaneous media for advertising their products/ services. Findings are shown in Table 5.36.

The ranks 1,2,3,4 and 5 were given weights of 5,4,3,2 and 1 respectively and then weighted score, rating percentage were calculated for each media. The table is presented in to four parts A, B, C and D. Part A shows findings of media preference for manufacturing business house, Part B is presenting findings for service providers in Nanded City and part C is dedicated to retail sector.

Media Preferences of Small and Medium Business Houses

Preferences	R.S. W	1 5	2 4	3 3	4 2	5 1	Total W.M.	Rating Percent- tage	Rank
<b>A) Manufacturing :</b>									
Print News Paper		23 115	21 84	18 54	14 28	13 13	89 294	22.02	II
Electronics		8 40	17 68	24 72	13 26	27 27	89 233	17.45	V
Outdoor		15 75	16 64	20 60	21 42	17 17	89 258	19.33	III
Yellow Pages		26 130	22 88	14 42	13 26	14 14	89 300	22.47	I
Miscellaneous		17 85	13 52	13 39	28 56	18 18	89 250	18.73	IV
<b>B) Services :</b>									
Print News Paper		29 145	27 108	23 69	09 18	06 06	94 346	24.54	I
Electronics		23 115	24 96	21 63	14 28	12 12	94 314	22.27	II
Outdoor		21 105	26 104	20 60	13 26	14 14	94 309	21.92	III
Yellow Pages		01 05	04 16	11 33	36 72	42 42	94 168	11.91	V
Miscellaneous		20 100	13 52	19 57	22 44	20 20	94 273	19.36	IV
<b>C) Retailing :</b>									
Print News Paper		31 155	26 104	24 72	14 28	03 03	98 362	24.63	I
Electronics		17 85	23 92	24 72	14 28	20 20	98 297	20.20	IV
Outdoor		24 120	17 68	19 57	21 42	17 17	98 304	20.68	III
Yellow Pages		05 25	09 36	14 42	23 46	47 47	98 196	13.33	V
Miscellaneous		21 105	23 92	17 51	26 52	11 11	98 311	21.16	II
<b>D) Overall = A+B+C</b>									
Print News Paper		83 415	74 296	65 195	37 74	22 22	281 1002	23.78	I
Electronics		48 240	64 256	69 207	41 42	59 59	281 844	20.02	III
Outdoor		60 300	59 236	59 177	55 110	48 48	281 871	20.66	II
Yellow Pages		32 160	35 140	39 117	72 144	103 103	281 664	15.75	V
Miscellaneous		58 290	49 196	49 147	76 152	49 49	281 834	19.79	IV

Source : Field Survey.

R.S. = Rank Scale,

W = Weight, W.M. = Weighted Mean,

Miscellaneous Includes: Key rings, Leaflets, Catalog, Point of purchase, Carry bags, Calendar & Diaries, events, visiting cards, Sky balloons, word of mouth and Cinema Hall, digital, sms

The findings for media preferences of small and medium business houses in Nanded city

are explained in table.

It is observed during study that in case of manufacturing business houses yellow pages occupy first rank with weighted mean of 300 and rating percentage of 22.47. This means small and medium manufacturing enterprises prefer yellow pages for advertisement.

Print media occupies second rank with weighted mean of 294 and rating percentage 22.02. Outdoor media occupies 3<sup>rd</sup> rank with weighted mean of 258 and rating percentage of 19.33. Further miscellaneous media occupy 4<sup>th</sup> rank with weighted mean of 250 and rating percentage of 18.73 whereas the electronic media occupies last fifth rank for advertisement of products of manufacturing enterprises with weighted mean of 233 with rating percentage of 17.45.

The media preference of services business differs from that of manufacturing business. It is observed during study that print media is preferred mostly by services business. The weighted mean of print media is 346 with rating percentage 24.54 and rank 1. The print media is followed by electronic media on 2<sup>nd</sup> rank with weighted mean of 314 and rating percentage of 21.92. The preference for some special media like catalog, point of purchase and other nontraditional media stand at 4<sup>th</sup> rank with weighted mean of 273 with rating percentage of 19.36. The yellow pages occupy last 5<sup>th</sup> rank with weighted mean of 168 and rating percentage of 11.91.

Table 5.36 shows that media preference of small and medium retail business in Nanded city is close to that of service business. Print media occupies 1<sup>st</sup> rank with weighted mean of 362 and rating percentage of 24.63. The miscellaneous media stands at 2<sup>nd</sup> rank with weighted mean of 311 and rating percentage of 21.16. The retail business use different miscellaneous media like point of

purchase, calendar/diaries, packaging bags key rings, word of mouth etc. This is customized media so as to meet requirements of retailing business houses. It is observed that this medium play a dual role of advertisement and sales promotion. Word of mouth is free publicity and it relies heavily on overall experience of the customer. Outdoor media stands at 3<sup>rd</sup> rank with weighted mean of 304 and rating percentage of 20.68. The difference between weighted mean of outdoor and electronic media is very small for retailing business houses in Nanded city. The electronic media stand at 4<sup>th</sup> rank with weighted mean of 297 and rating percentage of 20.20. Further yellow pages occupies last 5<sup>th</sup> rank with weighted mean of 196 and rating percentage of 13.33 for advertisement of small and medium retail business houses in Nanded.

#### **Conclusion:**

Print media is found to be mostly preferred with weighted mean of 1002 and rating percentage of 23.78 followed by outdoor media at 2<sup>nd</sup> with weighted mean of 871 and rating percentage of 20.66. Further electronic media occupies 3<sup>rd</sup> rank with weighted mean of 844 and rating percentage of 20.02. It is observed that the difference between rating percentage for outdoor media and electronic media is very thin. It is observed that miscellaneous media stands at 4<sup>th</sup> rank with weighted mean 834 and rating percentage of 19.79. Yellow pages stand at last 5<sup>th</sup> rank in overall media preference of small and medium business houses in Nanded city. It is found that miscellaneous media is mostly used by small and medium business rather than large multinational firms where the electronic media stand at 1<sup>st</sup> rank. Miscellaneous media is specially designed for smaller customer size and local in nature.

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