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Micro Entrepreneurs in Network Marketing: A Focus on the Jute Business Sector

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Abstract

A micro enterprise is an enterprise where investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of small-scale industries vide its notification number S O 1722(E) dated October 5, 2006) does not exceed ₹25 lakh.

Net work marketing is the wave of the future/ People are interested in it, because it allows individuals to come together for a common cause. This enables them to get attention of the manufacturer, an organisation or a service group. With this clout they can meet their common goal. Jute, being a versatile and eco-friendly material, presents a unique niche within network marketing, where the participation of micro entrepreneurs could significantly impact the overall value chain. Hence this study intends to provide valuable insights into the role of micro entrepreneurs in network marketing, specifically within the context of the jute industry.

The study is based on both primary and secondary data. Primary data have been collected from 140 respondents of making jute products in Virudhunagar District who were selected by convenience sampling method. The collected data were edited, tabulated and analysed for the

purpose of presentation. Percentage analysis, chi-square test and weighted ranking technique have been applied to analyse the data. Secondary data have been collected from various books and websites.

Keywords:Micro enterprise, Micro Entrepreneurs and Net Work marketing

I. INTRODUCTION

A micro enterprise is an enterprise where investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of small-scale industries vide its notification number S O 1722(E) dated October 5, 2006) does not exceed ₹25 lakh.

The person one who run the business with the capital of not exceeding ₹25 lakh is known as micro entrepreneurs. Net work marketing is the fastest racing car in the entrepreneurial age and those who have a driving personal vision shall be the ones to enjoy the success. Net work marketing is the wave of the future/ People are interested in it, because it allows individuals to come together for a common cause. This enables them to get attention of the manufacturer, an organisation or a service group. With this clout they can meet their common goal.

Statement of the Problem

In the dynamic landscape of network marketing, micro entrepreneurs play a pivotal role in shaping the success and sustainability of businesses. Jute, being a versatile and eco-friendly material, presents a unique niche within network marketing, where the participation of micro entrepreneurs could significantly impact the overall value chain. Hence this study intends to provide valuable insights into the role of micro entrepreneurs in network marketing, specifically within the context of the jute industry.

Scope of the study

The scope of the present study is confined to the features of network marketing, the barriers in implementing the network marketing.

Objectives of the study

The main objectives of this study are

- To present the socio economic profile of the respondents in the study area.

- To analyse the opinion of the respondents about the features and barriers of network marketing.
- To offer suggestions based on the findings of the study.

Methodology

The present study is based on both primary and secondary data. Primary data have been collected from 140 respondents of making jute products in Virudhunagar District who were selected by convenience sampling method. The collected data were edited, tabulated and analysed for the purpose of presentation. Percentage analysis, chi-square test and weighted ranking technique have been applied to analyse the data. Secondary data have been collected from various books and websites.

Awareness about the features of Network Marketing

Network marketing will require a strong awareness. Hence all the respondents were asked to mention their awareness with regard to the statements about the features of network marketing which is presented in Table 1.

Table1 Awareness about the features of Network Marketing

Features	With Awareness	Without Awareness	Total
Low Cost	75 (53.6)	65 (46.4)	140 (100)
Flexibility	89 (63.57)	51 (36.43)	140 (100)
Self Accountability	98 (70.0)	42 (30.0)	140 (100)
Direct Sales	77 (55.0)	63 (45.0)	140 (100)
Organisational Hierarchy	110 (78.57)	30 (21.43)	140 (100)
Proven System	84 (60.0)	56 (40.0)	140 (100)

Source: Primary data

Figures in Parentheses denote Percentages

Out of 140 respondents surveyed, 78.57 per cent are aware of the feature 'Organisational Hierarchy' and 70 per cent are aware of 'Self Accountability'.

Demographic variables and awareness of respondents

The awareness about the features of network marketing may be influenced by demographic variables such as age, gender, educational qualification, monthly income and years of experience of the respondents. Hence, these variables of the respondents were collected and tabulated in Table 2.

Table 2 Cross Table showing Demographic Variablewise Awareness of Respondents

Demographic variables		Aware	Unaware	Total
Age (in years)	Below 30	9(19.15)	38(80.85)	47(100)
	30-40	20(33.33)	40(66.67)	60(100)
	Above 40	8(24.24)	25(75.76)	33(100)
	Total	37	103	140
Gender	Male	16(27.59)	42(72.41)	58(100)
	Female	21(25.61)	61(74.39)	82(100)
	Total	37	103	140
Educational Qualification	Upto HSC	6(11.32)	47(88.18)	53(100)
	Under Graduate	7(15.56)	38(84.41)	45(100)
	Post Graduate	24(57.14)	18(42.86)	42(100)
	Total	37	103	140
Monthly Income(in ₹)	Upto 30,000	9(20.45)	35(79.55)	44(100)
	30,000 – 45,000	16(37.21)	27(62.79)	43(100)
	Above 45,000	12(22.64)	41(77.36)	53(100)
	Total	37	103	140
Years of Experience (in Years)	Below 6	11(34.38)	21(65.62)	32(100)
	6 - 9	10(20.41)	39(79.59)	49(100)
	Above 9	16(27.12)	43(72.88)	59(100)
	Total	37	103	140

Source: Primary data

Figures in Parentheses denote Percentages

Out of PG degree holders surveyed, 57.14 per cent are aware of the features of network marketing and 80.85 per cent of the respondents who are below the age of 30 years are unaware of the features of network marketing.

Overall awareness of Network Marketing (Results of Chi-square test)

Chi-square test was applied to test the null hypothesis that the proportion of respondents with awareness does not differ significantly from that of respondents with unawareness. The result of Chi-square test has been presented in Table 3.

Null Hypothesis (H_0): The proportion of respondents with awareness does not differ significantly from that of respondents with unawareness about the Network Marketing.

Table 3 Results of Chi-square test

Features	Observed Frequency	Expected Frequency	(O-E) ²	(O-E) ² /E
Awareness	37	70	1089	15.56
Unawareness	103	70	1089	15.56
$\sum (O-E)^2/E$				31.12

The Table value of Chi square test for 1 degree of freedom at 5% level of significance is 3.84. The computed value of Chi square test is 31.12

31.12 > 3.84 Rejected

Hence there is significant difference in the proportion of respondents with awareness and with unawareness about the network marketing.

Barriers in implementing the Network Marketing

There are various barriers involved in implementing network marketing by the respondents in their business. They are resistance to change, don't understand the market, the product is not ready, lack of inhouse knowledge, lack of communication and poor pricing strategy. They were asked to state their opinion against these statements. To quantify their opinion, Likert's five-point scaling technique has been used and the results were shown in Table 4.

Table 4 Opinion of the respondents about Barriers

Barriers	Agree	No opinion	Disagree	Total Score	Mean Score	Rank
Resistance to Change	82(246)	23(46)	35(35)	327	2.34	I
Lack of Inhouse Knowledge	63(189)	19(38)	58 (58)	285	2.04	III
Poor Pricing Strategy	58(174)	35(70)	47(47)	291	2.08	II
Don't Understand the Market	51(153)	33(66)	56(56)	275	1.96	IV
Lack of Communication	28(84)	42(84)	70(70)	238	1.70	VI
The Product is not Ready	40(120)	42(84)	58(58)	262	1.87	V

Source: Primary data

Figures in Parentheses denote scores

It is inferred from the Table 4 that the barrier 'Resistance to Change' gets first rank with the mean score of 2.34 points and the barrier 'Poor Pricing Strategy' secures second rank with the mean score of 2.08 points.

Chi-square Test Analysis for Overall Opinion of the Respondents about the Barriers

The result of Chi-square test has been presented in Table 5.

Table 5 Analysis for Overall Opinion of the respondents about the Barriers

Null Hypothesis (H_0): There is no significant difference in the number of respondents with different category of opinion about barriers.

Opinion	Observed Frequency	Expected Frequency	(O-E) ²	(O-E) ² /E
Agree	82	47	1225	26.06
No opinion	35	47	144	3.06
Disagree	23	46	529	11.5
$\sum (O-E)^2/E$				40.62

The Table value of Chi square test for 2 degrees of freedom at 5% level of significance is 5.99. The computed value of Chi square test is 40.62

$40.62 > 5.99$. Rejected

Hence there is significant difference in the number of respondents with different category of opinion about barriers.

Suggestions

In order to eliminate the barriers in implementing the network marketing the following suggestions may be made

- The micro entrepreneurs should organise training programs to further educate employees on both 'Organisational Hierarchy' and 'Self Accountability.' This could include workshops, webinars, or training sessions that provide in-depth information about these features and their significance in the workplace.
- The Government should conduct educational workshops or seminars to provide in-depth insights into the benefits and workings of network marketing.
- The Government should provide training programs for marketers involved in network marketing to enhance their communication and outreach skills.
- The net work marketers should organise educational workshops or seminars to the entrepreneurs of making jute products to enhance understanding of network marketing concepts. This will help the entrepreneurs to equip employees with the necessary knowledge and skills to embrace this business model, addressing the barrier of not understanding the market.
- To build in-house knowledge about network marketing, training and development programs must be organised by the entrepreneurs of

making jute products to empower their employees with the skills and expertise needed to effectively implement and manage network marketing strategies

II. CONCLUSION

As the jute industry continues to evolve, understanding and harnessing the potential of micro entrepreneurs becomes instrumental in building a sustainable and thriving network marketing ecosystem. This study serves as a foundation for future research and practical interventions aimed at maximizing the positive impact of micro entrepreneurs in the dynamic landscape of the jute business and beyond.

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