

STRATEGIZING THE SUSTAINED GROWTH BY MICRO ENTREPRENEURS - AN EMPIRICAL STUDY OF WELLNESS ENTREPRENEURS IN MYSORE CITY.

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Abstract

Micro, Small and medium scale enterprises play a major role in generating employment, embarking innovations, mobilising capital, accelerating constant change in the economy and developing the nation. Majority of the manufacturing and services sectors units are dominated by the MSMEs which act as an auxiliary support process of economic growth. The study is focused on the importance and implementation of strategic entrepreneurship by Micro Entrepreneurs while succeeding their business and contributing to sustainability of the wellness industry.

Corporate strategic management practices guarantee the returns and stake holder satisfaction. Adoption of these practices in micro entrepreneurship would also ensure the same. The study highlights the various strategic management practices to be adopted by the wellness entrepreneurs for the survival and success of the business and contributing to the sustainability of the industry. Twenty major strategic practices were identified through literature review and studied perceptions from the players of Wellness Industry. This study provided insight on the benefits from applying of corporate strategic practices in wellness industry.

The study was conducted in the Mysore city and the respondents were micro entrepreneurs of wellness industry that includes yoga trainers, dance form of exercises, psychological counsellors, rejuvenation centres, spiritual centres, AYUSH centres, alternative medicine practioners and other wellness oriented units. Researchers conducted survey by administering pilot tested structured questionnaire to 77 micro entrepreneurs of wellness industry.

The findings revealed the vitality of strategic management practices in the success and growth of micro enterprise. Majority respondents highlighted the drawbacks of being micro entrepreneurs due to lack of investment, huge competition, low entry barriers, poor management practices, entrepreneurial knowledge and apathy of government agencies. find difficult to plan big and in corporate style.

Key Words: - Micro entrepreneurship, Strategic management practices, wellness services and Wellness Industry.

I. Introduction

‘Wellness’ a buzz word often seen in every walk of life. An industry having myriad of avenues attracts large number of players. Entrepreneurs venture into these avenues with high and lofty hopes of success and sustainability(Kickbusch & Payne, 2003). Major forces of wellness industry environment are health consciousness, fitness, anti-ageing, beauty as a prime feature irrespective of age, income and status, stress

management, overcoming psychological pressures, importance towards rejuvenation treatments, relaxation vacations and increasing importance of alternative medicines do exert their influence in the operational issues in this industry.

An entrepreneur is the one who initiates his ideas, finances venture by taking some amount of calculated risks and aims at making some profit out of the venture(Stewart Jr et al., 1999). Planning is vital in any form of organisations. Competent strategies are the weapons for the success of medium and large scale enterprises(Jegdić et al., 2017). When it comes to micro enterprises the scenario is totally different. Micro enterprises are started with low investment, low working capital, poor budgeting, lack of entrepreneurial efficiencies, short-term planning and adhoc planning. These features pose huge threat for the micro entrepreneurs in their survival and success(Lawal et al., 2014). Hence the concept of strategic planning or strategic orientations or adoption of strategic management practices would enhance the venture performance and help in success and sustainability of the micro enterprises and entrepreneurs and finally the industry. Thus the strategic management practices focus towards the stakeholder management and triple bottom line approach(Johnson et al., 2003).

Identification of the critical success factors and key result areas are important either for large or small enterprises. The same criteria can be applied to the micro enterprises as well(Jamak et al., 2014). Hence these micro entrepreneurs should identify the major areas of success - human capital, technical skills, marketing strategies, pricing strategies, gap analysis, swot analysis and goal based planning(Schindehutte & Morris, 2009). In order to overcome risk and manage uncertainty, competitive strategies and strategic enterprising is required (Watkins, 2012).

MSMEs are considered as the wheels of the economies that directs the economy towards the development, progress and growth (Baker 2009). Hence micro entrepreneurs are supported by micro financing schemes that highly benefit them (Basargekar, 2009). Owing to financial security and easy availability of capital many micro entrepreneurs get motivated to plunge into wellness industry. Many women entrepreneurs emerged in this sector due to availability micro credit facilities(Bhuiyan & Ivlevs, 2019). There are various entrepreneurial theories high lighting different traits of entrepreneurs that pull or push them to undertake entrepreneurship. (Acedo & Florin, 2006).

Wellness industry being dynamic and ever changing, the players of the industry should be competent and should build strategies to gain competitive advantage. Otherwise the contemporaries of the industry - small, medium or MNC's would take over the market share. Yet the industry is dominated by the micro entrepreneurs due to its nature and mode of services. Hence proper market orientation and supported with entrepreneurial orientation would ensure profitability and success.(E. Williams & M. James, 2009). Tourism and hospitality are the adjacent industries that accelerates the growth of wellness industry. These industries operate with in partnership relationship management (Sharaffudin, 2015).

II. Problem statement

The purpose of the study is to examine the competitive factors that determine the success and sustainability levels of the micro entrepreneurs in the wellness industry. The industry depicts no entry and exit barriers. It attracts huge competition due to its high demand and increasing shift in the consumer mind set towards the wellness consciousness. Thus umpteen players plunge as service providers transforming the industry more dynamic and highly volatile. Along with that there is huge competition from the small, medium and giant corporate entities(Leonidou, 2004). They put micro entrepreneurs into a flux with reference to survival and success. Micro Entrepreneurs plunge in to this industry due to either pull or push factors. They lack competent management skills, strategic entrepreneurship and strategic planning. Short-term planning, unplanned resource allocation, insufficient working capital, lack of training, entrepreneurial development, high competition, lack of innovations and poor networks pose huge difficulties for the micro entrepreneurs to survive and succeed. Lack of strategic management practices slow down the venture growth and success in the long run(Johnson et al., 2003).

There are various government schemes- micro financing schemes, incubating centres and other initiatives focusing towards entrepreneurial development. Yet all these are focused towards manufacturing

industry rather than service sector. These are the major constraints faced by the micro entrepreneurs in service sector including wellness industry.

III. Significance of the study

Establishment of micro enterprises is the most viable opportunity identified by the large number of competent individuals. When it comes to wellness industry, it is more feasible because of requirement of least investment, presence of low entry barriers and ever increasing demand. Professional certification, competent skills and specialisation in micro areas of the service, and quality enhances and ensures success and sustainability of the business(Mishra, 2005). Importance of corporate entrepreneurs are identified in the recent present to benefit with high professionalism and success(Agrawal & Sahasranamam, 2016).

Research questions

1. Does corporate / strategic management practices are required in micro entrepreneurship?
2. Whether existing entrepreneurs have adopted the strategic management practices?
3. Does corporate or strategic management practices contribute to sustainability of micro entrepreneurship in wellness industry?

IV. Objectives of the study

- To study the vitality of strategic management practices in micro entrepreneurship of wellness industry.
- To understand the application levels of strategic management practices by micro-entrepreneurs in wellness industry.

Hypotheses

H0: Strategic management practices doesn't significantly contribute to sustainability of micro entrepreneurship of wellness industry.

H1: Strategic management practices significantly contribute to sustainability of micro entrepreneurship of wellness industry.

H0: Application of Strategic management practices by existing micro entrepreneurs are profoundly seen in wellness industry.

H2: Application of Strategic management practices by existing micro entrepreneurs are not profoundly seen in wellness industry.

V. Research procedure and methodology

Probability sampling techniques was adopted. To minimise the non-response bias 77 respondents were chosen as sample size. Opinions on vitality and applicability of strategic management practices were collected from the respondents of the study through traditional survey techniques. The respondents include the players of the wellness industry. Yoga & Fitness trainers, dance form of exercises, beauticians, nutrition and dietary services, alternative medicine therapies, AYUSH centres, rekki, rejuvenation centres, spiritual centres, psychological counsellors, and other wellness related services. Strata sampling was adopted to procure better conception. The stratas were beauty & Ant ageing, physical fitness, rejuvenation centres, spiritual centres and other wellness related services.

VI. Scope of the study

The research study is undertaken in city of Mysore situated in Karnataka state, India. 77 respondents were administered questionnaire to get insight into opinion on vitality of strategic management practices in their business ventures.

VII. Limitations of the study

- Time constraint
- Small Sample size due to time constraints

- Can have a wider scope.

VIII. Discussion of the findings & Testing of Hypotheses:-

Section I: - Demographic profile

Table No. 1:- Gender Profile

Gender Profile	Male	%	Female	%	Total
	37	48.1	40	51.9	77

Source survey data

Table No. 2:- Age Profile

Age Profile	Male	Female	%	Total
20-34 years	17	19	46.8	36
35-49 year	17	20	48.1	37
50 and above	3	1	5.2	4
Total	37	40	100	77

Source survey data

Table No. 3:- Education Profile of the respondents

Education Profile	Male	Female	%	Total
Upto SSLC	4	5	11.7	9
PUC	10	16	33.8	26
Graduate/Diploma	17	14	40.3	31
Post-Graduate	3	4	9.1	7
Professional	3	1	5.2	4
Total	37	40	100	77

Source survey data

Table No. 4:- Entrepreneurial Generation Profile of the respondents

Entrepreneurial Generation	Male	Female	%	Total
First Generation	22	23	58.4	45
Second Generation	13	12	32.5	25
Third Generation	2	5	9.1	7
Total	37	40	100	77

Source survey data

Table No. 5:- Entrepreneurial Generation Profile of the respondents

Entrepreneurial Generation	Male	Female	%	Total
Proprietary	15	27	54.5	42
Partnership	13	9	28.6	22
Others	9	4	16.9	13
Total	37	40	100	77

Source survey data

Table No. 6:- Registration details of the firm of the respondents

Registration details	Male	Female	%	Total
Registered	3	6	11.7	9
Unregistered	34	34	88.3	68
Total	37	40	100	77

Source survey data

Table No. 7:- Number of years of the establishment

Years of Establishment	Male	Female	%	Total
< 5 years	27	23	64.9	50
5-9 years	7	11	23.4	18
10-15 years	1	3	5.2	4
16-20 years	1	0	1.3	1
> 20 years	1	3	5.2	4
Total	37	40	100	77

Source survey data

Table No. 8:- Number of Skilled & unskilled labourers employed

Employment	Male		Female		%		Total	
	Skill	Unskil	Skill	Unskil	Skill	Unskil	Skill	Unskil
Less than 2	27	32	23	32	64.9	83.1	50	64
3-5	9	5	15	8	31.2	16.9	24	13
6-10	1	-	2	-	3.9	-	3	-
Total	37	37	40	40	100	100	77	77

Source survey data

Table No.9: - Ownership of the premises of the respondents

Ownership of the Premises	Male	Female	%	Total
Owned	19	12	40.3	31
Rented	16	27	55.8	43
Leased	2	1	3.9	3
Total	37	40	77	100

Source survey data

Table No.10: - Location of the units

Location	Male	Female	%	Total
Urban	16	12	36.4	28
Semi-urban	11	16	35.1	27
Rural	10	12	28.6	22
Total	37	40	100	77

Source survey data

Table No.11: - Other Occupations

Other occupation	Male	Female	%	Total
Employment	13	5	23.4	18
Business	6	8	18.2	14
Nil	18	27	58.4	45
Total	37	40	100	77

Source survey data

Table No.12: - Monthly income of the respondents

Monthly income	Male	Female	%	Total
Upto 10,000	22	23	58.4	45
10,001-20,000	13	11	31.2	24
20,001- 30,000	2	6	10.4	8
30,001 & above	-	-	-	-
Total	37	40	100	77

Source survey data

Section II: - Inferential Statistics

Various Strategic Management Practices were identified from the literature review and based on these, twenty perception statements were framed to get the opinion from the respondents of the study. Perceptions on vitality and applicability of the strategic management practices by the micro entrepreneurs to bring sustainability of the business and the industry sustainability were studied. These Strategic Management Practices are classified into internal & external factors. Strategic management practices are considered as independent variables and sustainability variables as dependent variables of the study. Three sustainability factors were identified as economic, social and environmental factors that determine the sustainability of the industry.

Table No.13:- Perceptions on Strategic management practices

Strategic management practices	
Internal Factors	External Factors
Vision & Mission Statements	Opportunity seeking
Leadership	Brand image
Pricing strategies	PEST Analysis
Marketing Strategies	Porter's five force models
Financial Management	Stake holder management
Continuous improvement	
Competitive advantage	
Specialisation	
Value additions	
Innovations	
Efficient administration	
Ethical Trade practices	
Goal based strategic planning	
Gap planning	
SWOT Analysis	

Table No.:14 Cronbach's Alpha Test for reliability and validating the questionnaire.

Reliability test	Cronbach's Alpha Test results
Strategic Management Practices	.836
Economic Sustainability	.817
Social Sustainability	.754
Environmental Sustainability	.792

Factory analysis was conducted using principal component method for extraction and varimax method for rotation to reduce commonalities. Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test of sphericity to check homogeneity of variances in the data (Yong & Pearce, 2013) are considered and exhibited in the following tables.

Table No.: 15 Results of KMO and Bartlett's Test for Internal & External Strategic management practices.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.673
	Approx. Chi-Square	685.548
Bartlett's Test of Sphericity	Degrees of Freedom	190
	Significance	.000

Source: Survey Data

Table No.:16 Results of KMO and Bartlett's Test for Economic sustainability

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.828
	Approx. Chi-Square	349.258
Bartlett's Test of Sphericity	Degrees of Freedom	28
	Significance	.000

Source: Survey Data

Table No.: 17 Results of KMO and Bartlett's Test for Social sustainability

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.671
	Approx. Chi-Square	247.951
Bartlett's Test of Sphericity	Degrees of Freedom	6
	Significance	.000

Source: Survey Data

Table No.: 18 Results of KMO and Bartlett's Test for Environmental sustainability

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.671
	Approx. Chi-Square	247.951
Bartlett's Test of Sphericity	Degrees of Freedom	10
	Significance	.000

Correlation analysis are used to describe the relationship between independent variables and dependent variable in bringing the sustainability of the industry. There exists correlation between the strategic management practices and sustainability factors is significant a 0.000 significance level with correlation coefficient 0.399. This proves the H1- alternative hypothesis. There exists a significant association between strategic management practices and sustainability of the industry. Hence null hypothesis is rejected.

The average mean of 3.2344 disagree and or neutral towards the application of strategic management practices in their day to day business. Though they perceive the benefits of strategic entrepreneurship yet when it comes to application part they are unable to implement them due to highly dynamic nature of the industry and its multi-dimensional nature. Thus disproving null hypothesis accepting H2.

IX. Suggestions

- ✓ Adopting corporate philosophy and strategic entrepreneurship with constant SWOT analysis would benefit the micro entrepreneurs to sustain better in the industry for a long period of time.
- ✓ Value additions in the services and understanding the customer perceived value would help in retaining long-term customer relationship.
- ✓ Innovations in services and cost leadership with continuous improvement would ensure constant success and survival.
- ✓ Adoption of technologies and modernisation of services with a touch of traditional practices assures the customers confidence.
- ✓ Maintenance of Customer database and constant touch with their requirements enhances the sustainability of the entrepreneurs and the industry.
- ✓ Goal based planning combined with long term vision and mission towards stakeholder management is vital for the success.

X. Conclusion

To sum up on the empirical study on strategic management practices of micro entrepreneurs in wellness industry has yielded interesting results throwing much light on intricate issues pertaining to strategic planning, execution, evaluation and corrections. The researchers tested the Strategic management practices significantly contribute to sustainability of micro entrepreneurship of wellness industry. But when it comes

to application of Strategic management practices by existing micro entrepreneurs are not profoundly seen in wellness industry. The reasons are varied. It is because of lack of knowledge, poor entrepreneurial qualities, incompetency and hard competition from the other players of the industry. The dynamic nature of the industry is also posing a tough environment for the service providers. Further the researchers have suggested palatable strategic management practices to be adopted by the micro entrepreneurs. The compliance to these suggestions would certainly brighten up the business prospectus of micro entrepreneurs and would help to flourish by bringing sustainability of the micro entrepreneurs and the industry.

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Appendix

Questionnaire:

Perception Statements	
1	Framing Vision statements ensures progress for micro enterprises
2	Strategic planning establishes direction for micro entrepreneurs.
3	Strategic Leader models befits success for the wellness entrepreneurs.
4	Efficient marketing strategies are needed to sustain the business.
5	Efficient pricing strategies plays a vital role in customer management.
6	Competent Financial Management practices would ensure financial feasibility
7	Emphasis on continuous improvement in service will add to competitive advantage.
8	Focus towards building competitive advantage strategies ensures sustainable business.
9	Specialised services always delight the customers.
10	Customer perceived value has to be met by the service providers.
11	Emphasis on innovative services will attract customers.
12	entrepreneurs should be in search of new opportunities
13	Brand image fascinates the customers.
14	Proficient administration would help in risk management.
15	Adoption of ethical practices ensures long customer bondage.
16	Goal based strategic planning helps in better resource management
17	Constant GAP analysis is vital for improving the firms planning.
18	Persistent SWOT analysis is important for grabbing the opportunities.
19	Constant environment analysis is a must to survive in any business.
20	Effective stakeholder management is guarantees sustainability of the industry.
21	Application levels of strategic management practices by micro entrepreneurs.