



Problems Faced by Small Scale Service Enterprises in Kerala

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Small-scale service businesses are also vital to the economy's growth because of their inventive, adaptable, efficient, and successful entrepreneurial spirit. Small businesses significantly contribute to a nation's development, particularly in developing countries, by creating jobs for the most disadvantaged members of society and reducing poverty. Small-scale enterprises promote decentralization and provide a rich environment for creative ideas. The most alluring aspect of these businesses is their low start-up costs, which are frequently affordable for middle-class individuals.

The service enterprises are capturing the economy. The current paper mainly focused on the various problems faced by the small-scale service enterprises in Kerala. The study is carried out in Kerala with a sample size of 350. The major problems included in the study are the marketing and the financial problems. Thus, it becomes imperative that the enterprises address these issues and boost their efficiency.

Keywords: *Small Scale Enterprises, Service Enterprises, Marketing Problems, Financial Problems.*



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1. Introduction

Small-scale businesses are crucial to the expansion and advancement of any nation's economy. Many people are employed by these companies, which also encourage fair wealth distribution, inclusiveness, the introduction of creative business concepts, and decentralization. Small companies are particularly feasible for the economies of poor nations that struggle with unemployment since they may be launched with little money and inexpensive raw materials. They contribute to the nation's overall economy by

keeping a major portion of corporate profits in the same area, supporting bigger corporations by manufacturing parts and accessories for them, and raising people's spending power. It is accurate to say that small businesses are the backbone of the contemporary Indian economy. Experts believe that in order to attain a steady growth trajectory for the Gross Domestic Product, small businesses in India need to be supported. India's small business sector is undoubtedly expanding at a remarkable rate. However, there are a few key areas that require attention in order to get the

most out of these businesses to boost the small-scale enterprises.

By lowering unemployment and raising people's purchasing power, small businesses act as a stimulant to the nation's overall economy. By creating the semi-finished goods, accessories, and components that large industries need, they support the expansion of larger businesses. Additionally, SSEs encourage the establishment and development of locally viable enterprises, which creates jobs for more people and supports local craftspeople. Due to their nature, small firms fare better during national economic downturns than large corporations since they can more readily adapt to changing demands (Maneesha, V. 2020). MSMEs make up over 90% of all businesses in the majority of economies, are responsible for the highest rates of job growth, and contribute significantly to industrial production and exports. The growth of the small business sector in Kerala would stimulate

economic growth and aid in addressing the state's structural problems. The majority of Kerala's industrial areas are centered on large cities like Trivandrum, Kozhikode, and Cochin. MSMEs, however, are dispersed throughout the state (Ibrahim, P. A. 2018).

About 30% of India's GDP and more than 45% of its exports come from the Micro, Small, and Medium Enterprises (MSME) sector, which has become one of the country's most dynamic and vibrant economic sectors. Because it encourages entrepreneurship and creates a vast number of job opportunities at relatively low capital costs—second only to agriculture—it makes a substantial contribution to the nation's economy and social development. As auxiliary units, MSME complements large industries. This industry makes a substantial contribution to the nation's inclusive industrial growth.

Table 1: Classification of MSMEs

Classification	Micro	Small	Medium
“Manufacturing Enterprises and Enterprises Rendering Services”	“Investment in Plant and Machinery or Equipment: Not more than Rs. 2.5 crore and Annual turnover not more than Rs. 10 crore”	“Investment in Plant and Machinery or Equipment: Not more than Rs. 25 crore and Annual turnover not more than Rs. 100 crore”	“Investment in Plant and Machinery or Equipment: Not more than Rs. 125 crore and Annual turnover not more than Rs. 500 crore”

Source: Ministry of micro, small and medium enterprises.

This is the revised classification which is applicable with effect from April 2025. From the above classification, it is clear that the small scale enterprises are those with investment of above Rs 2.5 crore and not more than Rs 25 crore. And also the annual turnover of above 10 crore and not more than 100 crore.

By supporting the growth and development of small businesses, including those in the khadi, village, and coir industries, in collaboration with Ministries/Departments, State Governments, and other stakeholders, the Ministry of Micro, Small, and Medium Enterprises (MSME) hopes to create a progressive MSME sector. This will be achieved by supporting current businesses, implementing cutting-edge technologies, and fostering the establishment of new businesses.

As per the Udyam registration, the distribution of micro, small and medium enterprises are as follows: micro - 98.6 % (56901755), small - 1.3% (732782) and medium enterprises - 0.1% (69013). As per the state wise distribution of the Udyam registration Kerala as on 31st December 2024 is micro -1369227 units, small - 19070 units, and medium - 1462 units.

The difficulties and issues faced by small and medium-sized businesses are linked to certain economic factors and the difficulties that often defined the country's economy. However, the internal features of small and medium-sized businesses also combine with certain economic factors to weaken the economy's potential. Among other issues, there are low levels of entrepreneurial skills, bad management practices,

insufficient equity capital, and a lack of information. (Ekpenyong, D. B., & Nyong, M. O. 1992).

Service Enterprises: The service enterprises are a fast-growing sector in the Indian economy. The service enterprises are those that render services. The service enterprise plays a vital role in the development of the economy as well as contributing to the GDP of the country. As per Udyam registration in India as of 31st December 2024, the manufacturing enterprises comprise 20%, the service enterprises 35%, and the trading enterprises 45%.

2. Literature Review

Sahu, (2017) looked at SSI's issues and determined what elements led to SSI's inception. Convenience sampling was used to gather data from 50 respondents for the study, which was based on primary data. While gathering primary data, the researcher took into account the engineering, food, leather, textile, and metal industries. The study found that the primary source of funding for entrepreneurs was their own personal resources. The study found that the two main issues facing the SSI were a shortage of competent labour and insufficient credit assistance. The unit's biggest marketing challenge was product distribution. The majority of business owners were unaware of SIDO's marketing and development initiatives. According to the study, the government should offer adequate financial support in the form of subsidies, loosen regulations when approving loans, set up campaigns to raise awareness of the help and support provided by the government, and implement creative strategies to lower employee turnover.

Sumanjeet Singh and Minakshi Paliwal's (2017) studied the issues faced by the Micro, Small, and Medium Enterprise Sector and its contribution to India's economic growth. Even though the MSME sector helps India's economy grow and develop overall, the researchers discovered that it still faces a number of obstacles, such as limited access to funding, a lack of knowledge about the market, a lack of skilled workers, unstable and unreliable infrastructure, inefficient marketing networks, and antiquated technology. The government must effectively support the sector in areas like continuous technical innovation, easy access to funding,

market diversification, improved infrastructure, etc., in order to boost the sector's efficiency and competitiveness, the paper claims.

Yogesh, S & Gangopodlyaya, D (2016) studied the primary issues pertaining to micro, small, and medium-sized business funding in India. They highlight issues such as the information asymmetry that banks face, the efficacy of policies like credit flow for MSMEs, and whether a bank's size and place of origin affect the amount of credit available to MSMEs. The research also discusses the importance of loan flow to the MSME sector's economic growth.

Jadhav, (2016) conducted research on the issues facing SSI in India. The study's main goals were to assess performance and growth, pinpoint issues, and determine whether the SSI is experiencing a significant issue with a lack of managerial abilities. The researcher found that the primary issues facing Indian SSI were a shortage of skilled labour, a flawed raw material supply, insufficient credit assistance, a lack of organized marketing facilities, a lack of machinery and equipment, a lack of the newest technology, a lack of infrastructure, and competition from large-scale industries. According to the report, workers should receive appropriate training and development, which should be viewed as an investment. It conducted a survey to determine the current state of affairs, create effective plans for SSI development, and choose the right equipment and technology.

Nishanth.P. and Zakkariya K.A. (2014) Micro, Small, and Medium-Sized Businesses (MSMEs) are acknowledged as a major force behind equity and economic growth. In developing countries like India, the growth of the Micro, Small, and Medium Enterprises sector is essential. Despite its importance, this business faces several challenges, such as a lack of adequate and timely bank funding, difficulties acquiring raw materials, issues with distribution and marketing, and a lack of suitable technology. An examination of the literature indicates that getting finance from banks and other financial institutions can provide challenges. The report's foundation is original data collected from 200 MSMEs in the Kozhikode District of Kerala. The data has been analysed using percentages. The paper offers suggestions for enhancing MSMEs' overall credit accessibility in the sector.

Monica Gupta, (2016) studied about SSI and it was descriptive in nature and relied on secondary sources. The researcher's primary goal was to examine the potential of small businesses and the many measures taken by the Punjab government to support new sectors and expand already-existing ones. The establishment of SSI as an auxiliary unit increased as a result of the promotion of large-scale industries. Financial support should be given for the modernization and growth of the small-scale sector, local labour should be encouraged to create jobs, and raw material supply should be guaranteed.

Hotniar Siringoringo (2013) examined the difficulties faced by small and medium-sized enterprises encounter while exporting their products. Finding and analyzing the difficulties faced by exporters when exporting commodities is the aim of this study. Due of their limited resources, small and medium-sized enterprises (SMEs) are the only ones qualified for unit analysis. A questionnaire is used as the research technique since various people have varied perspectives on the issue. Competition, the length of the export document processing process, product quality, export barriers from country destinations, low production capacity, transportation delays, communication barriers, government agencies that may act as barriers, a lack of knowledge of international markets, barriers to entering international markets, export administrative procedures, and inefficiency are the factors that affect SMEs' export performances in Indonesia, according to the survey's findings.

Ch. Hari Govinda Rao and colleagues (2012) in the study, they emphasized the role of MSMEs and the financial obstacles they face in India. One of the biggest problems MSMEs in South Asian countries face is a lack of capital to enable business expansion. In a fast-paced, highly competitive business environment, MSMEs lack the beginning capital, liquid capital, working capital, investment capital, and operations capital required to prosper and grow. MSMEs primarily depend on financial institutions such as banks, credit corporations, and development banks to meet their daily financial needs.

There are many studies focused on the MSMEs and their problems. But only few studies focused on small scale enterprises particularly. And that to only few relating to service enterprises. So, in the present study the problems

of small-scale service enterprises is taken into consideration after reviewing various literatures.

3. Need for the Study

The small-scale service enterprises are considered one of the major enterprises in boosting the growth of the economy. In terms of their contributions to employment, industrial production, exports, and the development of a wide range of entrepreneurial skills, small businesses play a significant role in the Kerala state economy. High labor availability, capital scarcity, reduced investment requirements, shorter gestation periods, and an emphasis on comparatively smaller markets are some of the main advantages of the small-scale business. Therefore, it is crucial for Kerala to develop small-scale companies by resolving current issues. The study is significant as it tries to investigate the various problems faced by the small-scale service sector in Kerala. The small-scale service enterprises need to be promoted for the betterment of the economy, so the study also tries to understand various prospects of the small-scale service sector.

4. Objectives

- To study about the marketing problems faced by the small scale service enterprises in Kerala
- To study about the financial problems faced by the small scale service enterprises in Kerala

5. Research Methodology

Population: The study mainly focused on the registered small scale service enterprises in Kerala. The total small scale service enterprises in Kerala as on December 2023 is 2546.

Sample Size: The sample size is calculated by using Yamane's formula. And the sample size required for the study is 346. The total data collected for the study is 350.

Sampling Method: The sampling method used for the study is systematic sampling method.

Data collection: Both primary and secondary sources of data are used for the study. For collecting the primary data, interview schedule method is adopted. Pilot study is conducted and Cronbach's alpha value is obtained above 0.7. thus the reliability is achieved.

6. Variables of the Study

The study mainly focused on the various problems faced by the small scale service enterprises in Kerala. The major problems like financial and marketing problems are considered in the study. Among these are inadequate planning, unfavorable laws, poor marketing strategies, a lack of technical expertise, and a lack of funding (Aftab and Rahim 1989, Ekpeyong 1983, Onugu 2005, Ogechukwu 2006). However, some of the difficulties faced by SMEs are a result of their nature and character, while others are caused by the operational environment (government policy, the consequences of globalization, financial institutions, etc.). (Onugu, 2005).

The various items of marketing problems used for the study are: problems related to poor product designing, poor product quality, poor market feedback, lack of market research, Problems related to range of customers, problems related to range of products, competition, lack of

advertisement, inappropriate marketing techniques, non-availability of market, non-availability of distribution channel, and inefficient pricing policy.

The various items used for understanding the financial problems faced by the small scale service enterprises are problems related to inadequate finance, meeting the security for the loan, high rate of interest of loan, Govt. subsidy, lack of credit facility, shortage of working capital, shortage of fund for fixed assets, delay in the service of financial institutions, lack of reserves, and inefficient financial management.

7. Hypotheses of the study

These are the various hypotheses formulated for the study.

- H1: There is significant difference in the marketing problems.
- H2: There is significant difference in the financial problems.

8. Analysis and Interpretation

The normality of the data is achieved.

Table: 02

S.No			N	%
1	Nature of the Enterprises	Partnership	107	30.6
		Sole Proprietor	82	23.4
		Private Ltd Company	161	46
2	Area of Operations	Urban Area	118	33.7
		Rural Area	232	66.3
3	Life span of the Enterprises	Less than 5 Years	49	14
		Between 5 and 10 Years	42	12
		Between 10 and 15 Years	66	18.9
		Between 15 and 20 Years	90	25.7
		Above 20 Years	103	29.4

Source: Primary data

The above table represents the demographic factors such as the nature of the enterprises, area of operation of the enterprises whether it belong to urban or rural area, and finally the life span of the enterprises that is how long the enterprises is been in operations. The table clearly states that number of enterprise (N) and its percentages.

8.1 Marketing problem faced by the Small-Scale Service Enterprises

Table: 03

Marketing Problems		Very High	High	Medium	Low	Very Low
Problems related to poor product designing	N	82	208	31	18	11
	%	23.4	59.4	8.9	5.1	3.1
Problems related to poor product quality	N	110	108	79	19	34
	%	31.4	30.9	22.6	5.4	9.7
Problems related to poor market feedback	N	109	167	46	10	18
	%	31.1	47.7	13.1	2.9	5.1
Problems related to lack of market research	N	79	187	73	9	2
	%	22.6	53.4	20.9	2.6	6
Problems related to range of customers	N	175	104	9	33	29
	%	50.0	29.7	2.6	9.4	8.3
Problems related to range of products	N	71	153	70	33	23
	%	20.3	43.7	20	9.4	6.6
Problems related to competition	N	54	186	60	40	10
	%	15.4	53.1	17.1	11.4	2.9
Problems related to lack of advertisement	N	65	168	43	24	50
	%	18.6	48	12.3	6.9	14.3
Problems related to inappropriate marketing techniques	N	56	184	60	40	10
	%	16	52.6	17.1	11.4	2.9
Problems related to non-availability of market	N	46	175	75	44	10
	%	13.1	50.0	21.4	12.6	2.9
Problems related to non-availability of distribution channel	N	54	174	70	41	11
	%	15.4	49.7	20.0	11.7	3.1
Problems related to inefficient pricing policy	N	44	160	85	49	12
	%	12.6	45.7	24.3	14.0	3.4

Source: Primary data

Table: 04

No.	Category	Mean	SD	T Value	Sig
1	Problems related to poor product designing	2.05	.901	-19.705	0.000
2	Problems related to poor product quality	2.31	1.240	-10.385	0.000
3	Problems related to poor market feedback	2.03	1.011	-17.925	0.000
4	Problems related to lack of market research	2.05	0.767	-23.151	0.000
5	Problems related to range of customers	1.96	1.285	-15.097	0.000
6	Problems related to range of products	2.39	1.117	-10.194	0.000
7	Problems related to competition	4.33	0.966	-12.950	0.000
8	Problems related to lack of advertisement	3.50	1.273	-7.307	0.000
9	Problems related to inappropriate marketing techniques	2.33	0.971	-12.995	0.000
10	Problems related to non-availability of market	2.37	0.984	-11.896	0.000

11	Problems related to non-availability of distribution channel	2.42	0.965	-11.240	0.000
12	Problems related to inefficient pricing policy	2.50	0.995	-9.401	0.000

Source: Primary data

One sample t test was used in the study to ascertain whether the mean value of marketing problems of small scale service enterprises was different from mean of the response scale three. The mean score of 'Problems related to poor product designing' of small scale service enterprises (M=2.05, S.D=0.901) was significantly slightly lower than the mean of the response scale three, $t(350) = -19.705$, $p=0.000$. The result indicated that small scale service enterprises faces low marketing crises due to poor product designing.

The mean score of 'Problems related to poor product quality' of small scale service enterprises (M=2.31, S.D=1.240) was significantly slightly lower than the mean of the response scale three, $t(350) = -10.385$, $p=0.000$. The result indicated that small scale service enterprises faces low marketing crises due to poor product quality.

The mean score of 'Problems related to poor market feedback' of small scale service enterprises (M=2.03, S.D=1.011) was significantly slightly lower than the mean of the response scale three, $t(350) = -17.925$, $p=0.000$. The result indicated that small scale service enterprises faces low marketing crises due to poor market feedback.

The mean score of 'Problems related to lack of market research' of small scale service enterprises (M=2.05, S.D=0.767) was significantly slightly lower than the mean of the response scale three, $t(350) = -23.151$, $p=0.000$. The result indicated that small scale service enterprises faces low marketing crises due to lack of market research.

The mean score of 'Problems related to range of customers' of small scale service enterprises (M=1.96, S.D=1.285) was significantly lower than the mean of the response scale three, $t(350) = -15.097$, $p=0.000$. The result indicated that small scale service enterprises faces comparatively low marketing crises due to range of customers.

The mean score of 'Problems related to range of products' of small scale service enterprises (M=2.39, S.D=1.117) was significantly

slightly lower than the mean of the response scale three, $t(350) = -10.194$, $p=0.000$. The result indicated that small scale service enterprises faces low marketing crises due to range of products.

The mean score of 'Problems related to competition' of small scale service enterprises (M=4.33, S.D=0.966) was significantly higher than the mean of the response scale three, $t(350) = -12.950$, $p=0.000$. The result indicated that small scale service enterprises faces higher marketing crises due to competition.

The mean score of 'Problems related to lack of advertisement' of small scale service enterprises (M=3.50, S.D=1.273) was significantly higher than the mean of the response scale three, $t(350) = -7.307$, $p=0.000$. The result indicated that small scale service enterprises faces higher marketing crises due to lack of advertisement.

The mean score of 'Problems related to inappropriate marketing techniques' of small scale service enterprises (M=2.33, S.D=0.971) was significantly slightly lower than the mean of the response scale three, $t(350) = -12.995$, $p=0.000$. The result indicated that small scale service enterprises faces low marketing crises due to inappropriate marketing techniques.

The mean score of 'Problems related to non-availability of market' of small scale service enterprises (M=2.37, S.D=0.984) was significantly slightly lower than the mean of the response scale three, $t(350) = -11.896$, $p=0.000$. The result indicated that small scale service enterprises faces low marketing crises due to non-availability of market.

The mean score of 'Problems related to non-availability of distribution channel' of small scale service enterprises (M=2.42, S.D=0.965) was significantly slightly lower than the mean of the response scale three, $t(350) = -11.240$, $p=0.000$. The result indicated that small scale service enterprises faces low marketing crises due to non-availability of distribution channel.

The mean score of 'Problems related to inefficient pricing policy' of small scale service enterprises (M=2.50, S.D=0.995) was significantly

slightly lower than the mean of the response scale three, $t(350) = -9.401$, $p=0.000$). The result indicated that small scale service enterprises faces

low marketing crises due to inefficient pricing policy.

8.2. Financial problem faced by the Small-Scale Service Enterprises

Table: 05

Financial problems		Very Low	Low	Medium	High	Very High
Problems related to inadequate finance	N	42	146	92	57	13
	%	12.0	41.7	26.3	16.3	3.7
Problems related to meeting the security for the loan	N	50	156	88	46	10
	%	14.3	44.6	25.1	13.1	2.9
Problems related to the high rate of interest of loan	N	50	171	65	52	12
	%	14.3	48.9	18.6	14.9	3.4
Problems related to Govt. subsidy	N	40	130	86	72	22
	%	11.4	37.1	24.6	20.6	6.3
Problems related to lack of credit facility	N	48	158	72	48	24
	%	13.7	45.1	20.6	13.7	6.9
Problems related to shortage of working capital	N	47	164	70	54	15
	%	13.4	46.9	20.0	15.4	4.3
Problems related to shortage of fund for fixed assets	N	52	140	65	76	17
	%	14.9	40.0	18.6	21.7	4.9
Problems related to delay in the service of financial institutions	N	49	172	74	42	13
	%	14.0	49.1	21.1	12.0	3.7
Problems related to lack of reserves	N	42	152	79	56	21
	%	12.0	43.4	22.6	16.0	6.0
Problems related to inefficient financial management	N	27	96	45	147	35
	%	7.7	27.4	12.9	42.0	10.0

Source: Primary data

Table :06

Financial Problems	Mean	SD	T Value	Sig
Problems related to inadequate finance	2.58	1.017	-7.723	.000
Problems related to meeting the security for the loan	5.46	1.985	-10.307	.000
Problems related to the high rate of interest of loan	6.44	1.119	-10.229	.000
Problems related to Govt. subsidy	3.73	1.103	-4.554	.000
Problems related to lack of credit facility	2.55	1.101	-7.674	.000
Problems related to shortage of working capital	2.50	1.043	-8.919	.000

Problems related to shortage of fund for fixed assets	2.62	1.124	-6.374	.000
Problems related to delay in the service of financial institutions	3.42	.995	-10.853	.000
Problems related to lack of reserves	2.61	1.078	-6.843	.000
Problems related to inefficient financial management	3.19	1.171	3.060	.000

Source: Primary data

One sample t test was used in the study to ascertain whether the mean value of financial problems of small scale service enterprises was different from mean of the response scale three. The mean score of 'problems related to inadequate finance' of small scale service enterprises (M=2.58, S.D=1.017) was significantly slightly lower than the mean of the response scale three, $t(350)=-7.723$, $p=0.000$. The result indicated that small scale service enterprises faces low financial crises due to inadequate finance.

The mean score of 'Problems related to meeting the security for the loan' of small scale service enterprises (M=5.46, S.D=1.985) was significantly higher than the mean of the response scale three, $t(350)=-10.307$, $p=0.000$. The result indicated that small scale service enterprises faces higher financial crises due to meeting the security for the loan.

The mean score of 'Problems related to the high rate of interest of loan' of small scale service enterprises (M=6.44, S.D=1.119) was significantly higher than the mean of the response scale three, $t(350)=-10.229$, $p=0.000$. The result indicated that small scale service enterprises faces higher financial crises due to high rate of interest of loan.

The mean score of 'Problems related to Govt. subsidy' of small scale service enterprises (M=3.73, S.D=1.103) was significantly higher than the mean of the response scale three, $t(350)=-4.554$, $p=0.000$. The result indicated that small scale service enterprises faces higher financial crises due to lack of Govt. subsidy.

The mean score of 'Problems related to lack of credit facility' of small scale service enterprises (M=2.55, S.D=1.101) was significantly lower than the mean of the response scale three, $t(350)=-7.674$, $p=0.000$. The result indicated that small scale service enterprises faces low financial crises due to lack of credit facility.

The mean score of 'Problems related to shortage of working capital' of small scale service

enterprises (M=2.50, S.D=1.043) was significantly lower than the mean of the response scale three, $t(350)=-8.919$, $p=0.000$. The result indicated that small scale service enterprises faces low financial crises due to shortage of working capital.

The mean score of 'Problems related to shortage of fund for fixed assets' of small scale service enterprises (M=2.62, S.D=1.124) was significantly lower than the mean of the response scale three, $t(350)=-6.374$, $p=0.000$. The result indicated that small scale service enterprises faces low financial crises due to shortage of fund for fixed assets.

The mean score of 'Problems related to delay in the service of financial institutions' of small scale service enterprises (M=3.42, S.D=.995) was significantly higher than the mean of the response scale three, $t(350)=-10.853$, $p=0.000$. The result indicated that small scale service enterprises faces higher financial crises due to delay in the service of financial institutions.

The mean score of 'Problems related to lack of reserves' of small scale service enterprises (M=2.61, S.D=1.078) was significantly lower than the mean of the response scale three, $t(350)=-6.843$, $p=0.000$. The result indicated that small scale service enterprises faces low financial crises due to delay in the service of financial institutions.

The mean score of 'Problems related to inefficient financial management' of small scale service enterprises (M=3.19, S.D=1.171) was significantly higher than the mean of the response scale three, $t(350)=3.060$, $p=0.000$. The result indicated that small scale service enterprises face higher financial crises due to inefficient financial management.

10. Limitations of the study

The study mainly focused on the problems of the small scale service enterprises such as financial and marketing problems only. There are mainly problems faced by the small scale service

enterprises that are not taken into consideration. Also the study gives importance to service enterprises. And also the study mainly focused only on the small scale service enterprises.

11. Findings & Suggestions

From the marketing problems, competition and the lack of advertisement are the major problems faced by the small scale service enterprises in Kerala. Proper training and awareness campaign need to be provided for the small scale service enterprises to overcome the various obstacles in marketing and also to identify various techniques and strategies to overcome the stiff competition. And from the financial problems, problems related to meeting security for the loan, high rate of interest for loan, government subsidy, and delay in the services by the financial institution and inefficient financial management. To overcome these proper measures need to be taken to protect the small scale service enterprises by making aware about the various facilities available. In addition to their initial level development programs, government entities that assist small scale enterprises should also carry out advanced level development initiatives.

12. Conclusion

Small scale service enterprises play a vital role in Kerala's economic growth by assuring the industrialization of rural areas and creating a large number of jobs. Small scale businesses have always been a symbol of economic development, emphasizing high contributions to domestic production, substantial export revenue, minimal investment needs, the creation of jobs, and an efficient contribution to the country's foreign exchange earnings with minimal import-intensive operations. The study mainly provided information regarding the various problems faced by the small scale service enterprises such as financial and the marketing problems. So the problems faced by the small scale service enterprises need to be properly addressed for the betterment of the economy.

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