

# Necessity of modern marketing practices for SSIs in India

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## Abstract

The Small scale Industries in India plays an imperative role within the economic and social development in India. This paper focuses on necessity of novel marketing practices for SSIs. The globalization of the economy affects the performance and competence of small and medium scale industries. Due to globalization there are tremendous changes in every field of the Industry. To sustain within the leading edge competition in world surrounding may be troublesome task for SSI's. The adoption of modern marketing practices, innovative marketing strategies, new technologies tools and techniques are necessary for SSIs to sustain within the market.

**Keywords:** - Modern marketing, Small Scale Industries, Globalization

## I.Introduction

Economic development of a nation depends upon the industrialization with the assistance of adequate resources, technologies and responsive government policies. Currently Indian SSI's lack in advancement in technology and competitiveness. So in the lack of technological up gradations and competitiveness, SSIs may face the matter of sickness or closure (Narayana 2004). The forceful changes due to the globalization and severe competition has compelled industrial sector to adopt the new technologies and techniques.

Marketing function creates time, place and possession utilities. Time and place utility occur when shoppers notice merchandise and services accessible when and where they require to get them. The prominence of Small and medium Industries (SSIs) is seen as these are allied with the balanced growth of Indian economy, playing crucial role in generating scores of jobs. Following points describe importance of SSIs within the world.

- India has the second largest number of SMEs in the world e. 51 million.

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- It brings on approximately 45% of industrial output, 40% of exports.
- There are 8 million enterprises in varied industries, employing approximately sixty nine million individual.
- The sector includes two million women-led enterprises.
- It creates more than one million jobs per annum.
- An online presence helps SMEs save fifty one percent higher revenue and forty nine percent higher profit than those while not it.
- The contribution of SMEs to India's GDP has been growing consistently at 11.5% a year, which is more than the overall GDP growth of 8%.

| Type                   | Description   | Function   |
|------------------------|---|------------|
| Form                   | <b>Conversion</b> of stuff into finished merchandise and services.                    | Production |
| Time                   | Availability of products and services onceshoppers want them                          | Marketing  |
| Place                  | Availability of products and services wherever consumers need them                    | Marketing  |
| Ownership (possession) | Transfer of title or possession of merchandise or services from merchandiser to buyer | Marketing  |

### Definition of Micro, Small & Medium Enterprises:

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified as below:

| Manufacturing Sector |   |
|----------------------|---|
| Enterprise Category  | Investment in plant & machinery   |
| Micro Enterprises    | Does not exceed 25 lakh rupees  |
| Small Enterprises    | More than twenty five lakh rupees however does not exceed 05 crore rupees |
| Medium Enterprises   | More than 05 crore rupees but does not exceed 10 crore rupees             |
| Service Sector       |   |
| Enterprise Category  | Investment in plant & machinery   |
| Micro Enterprises    | Does not exceed 10 lakh rupees  |
| Small Enterprises    | More than 10 lakh rupees however does not                                 |

|                    |  |
|--------------------|--|
|                    | exceed 02 crore rupees                                       |
| Medium Enterprises | More than 02 crore rupees but does not exceed 05 core rupees |

(Source- Annual Report MSME GOI 2017 18)

## II.Literature Review

**DanijelCorak and IvikaSnajder**(June 2016) in their research article, “ Marketing strategies and their application in small and medium enterprises emphasizing the modern methods” pointed out that, the implementation of marketing on the internet environment these days means an advantage over the competition and create and gain trust or loyalty of the customers.

**BasavarajNageshKadamudimatha** ( Dec.2016) in his research paper, “Internet marketing trends and Indian SMEs”, has concluded that online users growing in India most small scale and medium scale enterprises have realized the significance of internet technology in their day to day marketing agendas and they heavily use technological solutions for marketing activities. It is imperative that all small and medium scale enterprises possess information and technology based communications and responsive websites is the very first step in this direction. Small and medium scale enterprises should understand the need, value and importance of the internet which assist to connect with current customers and attract new consumers.”

**PriyankaPradhan**(2018) in her research paper, “Digital Marketing and SMEs: Identification of research gap via archives of past research” highlighted that small and medium scale enterprises have to be compelled for adopting digital marketing as their comprehensive winning strategies will give a robust start on marketing campaigns”.

**Christopher G. Clarke (April 2013)** in his research project “Online Marketing in a Small-Medium Enterprise (SME)” has mentioned that with international markets being brought even nearer by the web.

## III.Necessity of Modern Marketing

Marketing is decisive in developing countries like India. Enterprises ought to move from ancient marketing to modern marketing. Small and medium scale industries are gradually moving towards global approach as they face robust competition from large firms and potential customers. A reliable marketing strategy is relate -

- To ensure that every merchandise and services have a uniqueness and smart positioning within the segment
- To enable their target market to identify and distinguish their brands in the woolly headed marketplace.

For many years, basic advertising vehicles attached or enclosed with newspapers, magazines, brochure, leaflets, business cards, posters, pamphlets, radio and TV. Several traditional marketing methods are now going online, so people are rapidly diverting towards online media so less individuals read the printed and written versions.

These advertising and communication mediums allowed businesses to decide on advertising strategies or plans based on their budget and want to focus on specific market segments. With the birth & development of the internet, smart phones and social networking, small medium scale businesses are able to advertise using online and digital media services, websites, Facebook, Whatsapp, Twitter and other low-cost, real-time methods. Traditional advertising does not enable simply responding to changes within the marketplace as quickly as newer styles of communication. Small businesses can not only confirm or determine before what kind of person visits a specific website, however, what they read required and various data and other information. The disadvantage of traditional method is that how many customers actually scan and saw the advertisement and it is difficult to get feedback and opinion regarding product and services published and offered. The message can deliver with traditional advertising is much more limited or restricted compared to modern techniques of communication. If promoter can convince customer to go through their website with clicking of a banner ad or link, they have unlimited opportunities to deliver information to customers.

Now day's it is possible to consumers to buy anything, anywhere, at any time, with use of internet and social media. The kinds of purchases, the planned ones or the impulsive ones haven't changed, but attitude or behaviour associated with has changed.

Today's customer is aware about international trends rapidly. This is due to advancement in information technology and education across the world. Modern marketing is about building relationships with customers, adapting unceasingly the new digital landscapes, and marketing across multiple channels to achieve completely different consumers. Modern marketing is somewhat more personal than traditional marketing. Today's promoter believes, "Act regionally, but think internationally." So if small scales industries have to sustain compete and grow in market it is necessary to adopt modern marketing strategies.

#### IV. Modern Marketing Practices

Modern concepts of marketing are full of ideas and broad concepts. It means finding out the consumer and produce the goods as per their needs and requirements rather than to provide them what the seller has made. It is the integration or combination of traditional marketing with Internet and social media.

- **Marketing through Internet/Web (Online):**

Generating or creating own website and promoting products and services in international market is now cost effective. Traditional marketing media like newspapers, news websites, radios, and television are all about promoting and delivering a message for small and medium scale industries. Small and medium scale industries as well as customers can get more and more information quickly through internet marketing. Online Marketing and sales are not only saving a enormous amount of money by reducing store operating costs but also reduce the fuel consumption needed for traditional sales that contribute a lot to the environment protection program and targeting specific segments within the market. Every day, the advertising can be traced and thus collect viewer's statistics ie number of visitors liking and interested in product and services, feedback or opinion and suggestions. These data are collected in databases and also gets the ability to obtain the needed or required information at any time.

- **The Internet and Customer Relationship Management:**

TariqueMohiuddin Ahmed in his thesis given a reference of Bose (2002) research article and stated that Customer Relationship Management is an integration of technologies and business process used to satisfy the requirements of client throughout given interaction. Customer relationship management is a process by which business firm's uses customer information to enhance customer relationship and build trust or loyalty. In his thesis he highlighted the statements of (E Honeycutt, T Fluherty K Bennasi, 1998) as the internet can be used to manage activities of marketing like marketing research, reach new markets, provide service to customers in a better way, communicate and distribute products efficiently and faster, solve customer problems. The internet is also useful tool for collecting or gathering information about customers, competitors, potential markets as well as communicate valuable information regarding companies and/or products. Customer relationship management is becoming a priority because of information and communication technology (IT), particularly the Internet is making it easier for customers to seek out alternate providers for products and services. It can help to retain customers by building and managing relationships (J. D. Wells, W. L. Fuerst & J Choobineh, 1999). Small and medium sized enterprises can also enter in to international market and achieve global competitiveness despite their limited or restricted physical size by building virtual assets such as information skills, digital resources, and competencies for managing inter firm collaborations (Tetteh and Burn, 2001). SSI can harness the power of internet to build effective and sustainable relationships with their customers thus creating value or worth in relationships.

- **Permission Marketing:**

Prof. RavneetKaur (June 2017) explained in her research article that Why would someone give you permission to promote or market to them? The answer is quite simple: because it's in his or her best interest to do so! To get permission, offer people something that they want. It is permission by a customer, or a recipient of a mail, email, or other direct message to allow a marketer to send merchandise, information, or more messages. After the opt in, the marketer will keep on sending the material or messages until the recipient chooses to opt out.

Reward them for opting- in. Rewards can be like promotional things, prizes, coupons, vouchers and other incentives. The companies keep client up-to-date regarding its products & product line. It also saves money as well as time of customer to visit the site of the company. Prof. VasanthKiran, Dr. MousumiMajumdar and Prof. Krishna Kishore ( June 2012) described in their research paper that permission marketing is a part of email marketing with a spotlight on user experience, if users receive e-mail that has no worth to them, it might solely end in spam. The user need to increase the visibility of the business; where major brands have found results by concentrating on it. However small and medium enterprises are not fully aware about e-mail marketing and ignoring this key aspect may cost in the survival of the business.

- **Online Branding:**

Christopher G. Clarke (April 2013) highlighted in his research analysis that small and medium scale enterprises from a standard marketing sense not follow conventional marketing practices. Small and medium scale enterprises not take much efforts in the way of brand management and also they don't have expertise to create brand name for their product and services. Many small businesses make the mistake of ignorance of branding efforts because they think of themselves as a enterprise and not a brand. But the value of branding to a small business lies in loyalty and strong relationships with the customer.

- **Online sales channels:**

Online selling is a dynamic, vibrant, rapidly expanding channel of distribution for the marketing of products and services directly to consumers, GuptaSwaroop Rani N (July 2015). With the help of e commerce activity buying or selling of products on online services or over the internet is possible. As ecommerce reduces order processing cost and customers orders come directly to the company's database from the website. Customer can view product and services related information 24\*7 and can deliver message at any time. Through ecommerce company can reach to global audience and thereby increasing sales opportunities and able to receive payment more quickly from online transactions.

## V. Conclusion and Findings

The implementation or use of modern marketing practices means advantages over competition and gain the trust of customers. Negligence and unawareness about technological advancement by small scale industries owners lead to downturn of the company and their products and threat to lose potential customers. The marketing can function effectively only if the commitment from the management and people within the organization comes. The SSIs can easily bring in the innovative marketing practices as they don't have large hierarchy system between the higher level and the people who implement these decisions.

It is been suggested that use of digital marketing technologies and novel or modern marketing practices in SSI's for marketing and selling of goods, commercialization of products and services, collection of information and ideas through internet are essential in today's fierce and intense competition. To understand the role of customer relationship management and internet, permission marketing, online retail channels and communications, digital marketing etc. by small scale industry owners is necessary and train their employees about new or modern techniques of marketing so there by improving SSI strength and competitiveness at global level. Developing innovative marketing strategy is the great need for growth and sustainability of SSI sector.

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