



# REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.7631 (UIF)

UGC APPROVED JOURNAL NO. 48514

VOLUME - 8 | ISSUE - 9 | JUNE - 2019



---

---

## AN ANALYSIS OF SMALL SCALE INDUSTRIES IN MARKETING STRATEGIES

**Dr. Lengare K. B.**

**M.Phil, Ph.D. , Associate Professor, Shri Chhatrapati Shivaji College, Omerga,  
Tq. Omerga Dist. Osmanabad, Maharashtra.**

### ABSTRACT:

*The purpose of the paper is to examine the factors influence the price decision, selection of distribution channels by the SSI. In the period of globalization small manufacturers are fronting lot of issues in area of marketing mix such as product planning and positioning, pricing and distribution issues. The entrepreneur's awareness concern to these various issues have been highlighted in this paper. A number of reports point out the marketing mix issue have been grown and the respondents were asked to express their level of agreement/disagreement with this statement on five point Likert scale the major finding reveals that small manufacture*

*are not using well versed with the marketing mix procedure and do not use newest marketing tool such as e-marketing or webmarketing. The advancement of the products by advertising is not common among these units. The major findings acknowledge that government policies is not prosperous for the small scale industries and government not providing any financial help to the small scale industries. The advancement of the products by advertising is not common among these units.*



**KEYWORDS:** *Marketing mix, Marketing Strategy, Service Decisions, Small Scale Industries, etc.*

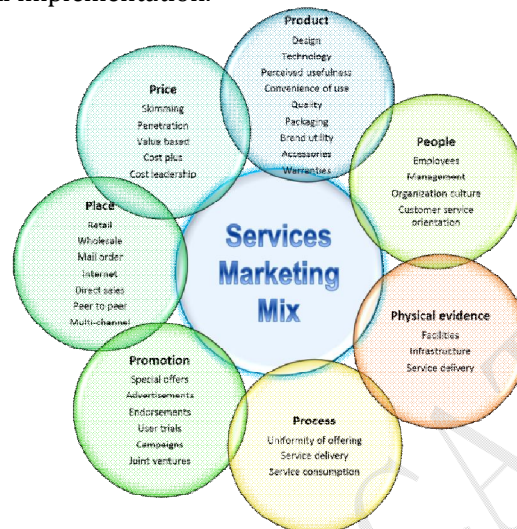
### 1. INTRODUCTION

The word "marketing mix" was composed in 1953 by Neil Borden in his American Marketing Association presidential address. The marketing mix is a business tool apply in marketing products. The selling combine is usually crucial once deciding a product or brand's distinctive point (the rare quality that differentiates a product from its challengers), and is often substitutable with the '4 Ps': 'price', 'product', 'promotion', and 'place'. Yet, in

recent times, the 'four Ps' have been enlarged to the 'seven Ps' with the addition of 'process', 'physical evidence' and 'people'. Lately, 'four Cs' theory is additionally in the limelight. The infrequency of capital in India accurately limits the number of non-farm jobs that can be created because investment costs per job are high in large and medium industries. An powerful development policy has to seek to grow the use of labour, relative to capital to the extent that it is economically efficient. As a matter

of reality, little scale sector has currently emerged as a dynamic and vivacious sector for the Indian economy in recent years. It has captivated so much attention not only from industrial planners and economists but additionally from sociologists, administrators and politicians. Services are very different from products. So the marketing ideas need to be reacted while marketing a service. Services can compass from financial services supplied by the banks, technology services supplied by the IT company, food and

ambiance as a service provided by restaurants or even a blog where an author equipped a service (information presentation, interesting reading etc) to his hearers. Services marketing are controlled by the 7 Ps of marketing namely Product, Price, and Place, Rise, People, Process and Physical evidence. The 7 P framework is one of the most popular framework for deciding a marketing strategy, right from strategy formulation to actual implementation.



*Figure 1. The 7 Ps of services marketing*

Following effective form the marketing mix for services marketing, the first 4 P's being the core and the next 3 P's being the extended marketing mix.

- **Product** is your center oblation. This is “the thing” that will fulfill the needs of your customer. If your product is faulty, everything else fails. The assigns of the product, vis-a-vis the assigns offered by competing products and substitutes, are important in estimating the competitive scenario for the marketing strategy formulation.
- **Price** has a lot of impact on the service buyer's satisfaction level. Often, paying a higher price makes a customer more satisfied. Price is often considered a proxy for quality and vice-versa. What is important to note that services being all the more intangible, the price become an important factor for the actual service consumption to happen, after service awareness and service acknowledgement?
- **Place** often offers a different side of value (utility) to the customer. Who would want to travel 10 miles to have a regular dinner, even if that is priced very competitively and has a super quality? Services are often chosen for their place utility. Closer to the customer means higher probability of purchase. Place utility is important to evaluate, for strategizing on the other 6 Ps.
- **Promotion** plays a role in the perception the possible target audience may have about your service. There has to be a fit between the promotion and the positioning. Promotion leads to service (brand) recognition and further establishes a proxy to evaluate quality of services based by potential customers. Many different promotional tools are often used like internet advertisement, special events, endorsements which happen out of the store or in-store merchandising like branded boxes from Custom Boxes Now, plastic dump bins and digital signage.
- **People** are crucial in service delivery. The best food may not seem equally palatable if the waitress is in a sour mood. A smile always helps. Intensive training for your human resources on how to handle customers and how to deal with contingencies, is crucial for your success.

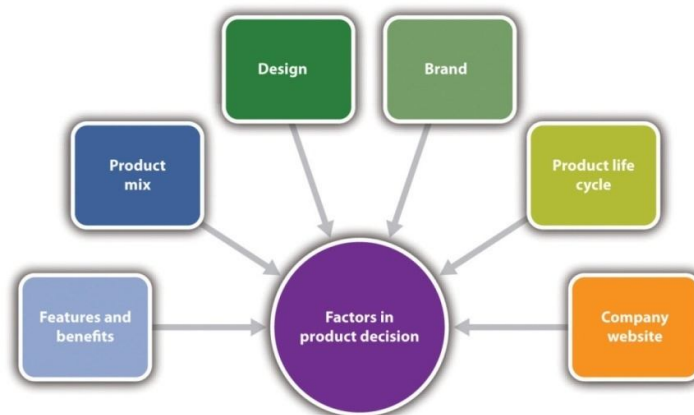
- **Processes** are important to deliver a quality service. Services being intangible, processes become all the more crucial to ensure standards are met with. Process mapping ensures that your service is perceived as being dependable by your target segment.
- **Physical evidence** affects the customer's satisfaction. Often, services being intangible, customers depend on other cues to judge the offering. This is where physical evidence plays a part. Would you like eating at a joint where the table is greasy or the waitresses and cooks look untidy and wear a stained apron? Surely you would evaluate the quality of your experience through proxies such as these. Services marketing are that elusive concept which stays incomplete without a thorough understanding of 7 Ps. These form the critical success factors for any service as evaluated by a possible customer.

## 1.1 Marketing Strategy and Product:

### 1.1.1 Learning objectives of Marketing Strategy:

Next are learning objectives of Marketing Strategy:

- Understand why product is the key element in the marketing mix.
- Recognize the various decisions and considerations that factor into product or service growth.
- Characterize the three product layers and interpret why small businesses should pay attention to them.
- Interpret the significance of product design to marketing strategy.
- Recognize the role of packaging to product achievement.
- Explain what a brand is and why it is likely a company's most important asset.
- Interpret the significance of the product life cycle for the marketing mix.
- Recognize that a company's website is part of its product or service, whether or not the company deals anything online.
- Explain the judgment fields for the company website.



**Figure 2. Factors in Product or Service Decisions**

The key component in the marketing mix is the outcome. Outside it, price, promotion, and place are arguable. The similar is loyal for marketing strategy. Carry out a company's vision and mission and accessing its marketing objectives must be led by the product. There are various decisions and concern that factor into product or service development: features and benefits, product mix, design, brand, the product life cycle, and the company website. Knowing product development issues can be very helpful for even the smallest business that is looking to hold its newest product line responsive to the customers while also looking to amplify its product line as the company develop (if development is desired).

## 2. LITERATURE ANALYSIS:

Hallberg (2000) dealt with small and medium scale companies and how governments and aid agencies can best support their progress. The enquiry provides a different look at the issues and supplies a market-oriented strategy for SMEs. Gilmore *et al.* (2001) said networking as a constitutional tool for marketing which is wholly compatible with SME decision-making characteristics in relation to marketing activities. It was illustrated that in case of competitor collaboration, it is balanced with caution when it is felt that the benefits enjoyed by each party are proportionate to their respective inputs and managers will guard against speaking too freely about certain things, especially any plans they might have for substantial changes to the firm or its direction. Wilfried Luetkenhorst (2005) is certain that the role of the private sector as engine of development for poverty reduction. He analyzed UNIDO's approach to achieve productivity enhancement of SME's and also examined the development contributions and functions of SME's. The primary aim of UNIDO programme is to raise developing countries exports by enabling SME's to overcome the information and scale problems associated with exporting, mainly at early stage of exporting. UNIDO is particularly concerned that its support to lower income level of developing countries, the prevalence of SMEs was particularly pronounced. UNIDO's role in the global poverty challenge assigned a key role to the build-up of local productive in mainly private sector full growth.

Abdullah *et al.* (2008) remarks on bounds confronted by SME legal practitioners especially in the area of marketing of their services. Their survey recommended on achievable approaches for legal practitioners in exploiting marketing tools and techniques for their business success. According to them government should play a vital role in educating the SMEs. Also, the legal practitioners must be very creative and innovative in fully exploiting other marketing devices which are still acceptable by law to promote their services. Nichterand Golmark (2009) examine factors linked with SMEs growth i.e. (1) Individual entrepreneur characteristics; (2) firm characteristics; (3) relational factors and (4) contextual factors. They further suggested that other researchers could keep in mind firms' opportunities and capabilities, as well as to other mechanisms by which factors potentially affect MSE growth. Hakimpoore *et al.* (2011) hypothesize that the size, formality, diversity, density, stability and flexibility of marketing network will positively moderate the relationship between SMP and SMEs' performance to test the validity of model. The authors were purposeful to fulfill up the gap about the lack of research on SMP-Performance relationship in SMEs' context. And they proposed that structural dimensions of marketing network are important moderators on relationship between strategic marketing planning (SMP) and SMEs' performance

Yen and Chew (2011) base that the SMEs performance was grounded on competitive marketing strategy, relative marketing strategy and business environment. Study also proved that only effective marketing could help SMEs to gain competitive advantage and superior performance. Their study supplied the best view of the determinants' of construction SMEs performance. Restrictions of their study were few response rates than coming sample size.

## 3. IDENTIFICATION OF PROBLEM:

- Small scale industries are incapable to find new market for their products.
- The industry is never applying marketing techniques to sell the products.
- No work has been done to assure or follow-up the consumers.
- The organizations have not focused on distribution and logistics.

### 3.1 Objectives of the Study:

The primary objective of the study is to elaborate marketing strategies for the small scale industries. To accomplish these primary objective organizations demand to achieve more sub-objective like:

- To Work out the 4ps decisions effectively in the organization.
- To secure the marketing sense system.

#### 4. HYPOTHESIS:

For this purpose, the following null hypotheses were framed:

##### a. Service Provider

**H1:** Service provider is fulfilled from the prevailing marketing systems formulated by their corresponding SSI units regarding Product, Price, Place, and Promotion.

**H2:** Market intelligence system has a significant effect on performance of service providers.

##### b. Customer:

**H3:** The customers are fulfilled from marketing systems adopted by SSI units regarding Product, Price, Place, and Promotion.

**H4:** Consumer is satisfied from market awareness and information provided by the SSIs.

#### 5. RESEARCH DESIGN: EXPLORATORY CUM DESCRIPTIVE

Research design is determined as the plan, structure and strategies of investigation conceived as to obtain answers to research questions. Research design will involve the accurate arrangement of the research activities, data collections techniques etc.

##### *Nature of data:*

The sample survey will be carry into a City. The structured questionnaire will be used. Though the study is primary in its nature but still exploration will be done at initial stage of research work to recognize various factors of SMEs for its growth, efficiency and effectiveness.

##### 5.1 Limitations:

Each and every work has two phases' significance and limitations. Similar in the case of this research study, it is profitable when we are going to develop marketing strategies and expansion of business but on the other hand this studies also have some limitations such as:-

- The primary data collected is restricted to specified zonal.
- The response to the customer questionnaire may have been biased.
- The sample size chosen for the questionnaire (for market customers) was very few and that may not represent the true picture of the requirements of study.
- Most of manager level persons are always busy in their work so they give me less time for guidance.

#### 6. ANALYSIS:

From the population of tiny scale industries, sixty units of service supplier on the random basis are chosen. T-test is used for data interpretation for the service providers. The Information provided by the service providers are segmented into five factors which include marketing mix (product, price, place, promotion) and market intelligence system.

#### 7. CONCLUSION:

Marketing strategies assist as the fundamental basis of marketing plans designed to fill market demands and reach marketing objectives. Plans and objectives are commonly tested for significant results. Generally, marketing strategies are grown as multi-year plans, with a calculated plan detailing specific actions be accomplished in the current year. This study acknowledge following results that small scale industries not accepting appropriate marketing strategies in the highly competitive environment. Small scale industries are thin in differentiation strategy. As small scale industries are following cheap cost pricing strategies, so it is also necessary to follow product differentiation for product development. The small manufactures demand to use choosy product positioning strategies for different products because same product positioning strategies for all products are not beneficial.



Besides, the SSI's needs to be very prudent about price decision because of highly competitive surroundings. Products should be proposed at extremely competitive price after doing comparative market analysis. The conclusion of the study reveals that small scale industries are greatly satisfied regarding their product's price and pricing method. But SSIs should focus on pricing strategies whereas it affects their overall marketing strategies. Customer also extremely fulfills from pricing of the small scale industries products. SSIs should concentrate on cutting the product price at the operational and marketing level with use of current management approaches.

Small scale industries are not fulfill their allotment channel or place so small industries need to enhance their distribution channel for maximum coverage of the buyer. For greatest analysis of the market newest technology e-marketing or web marketing may help the small manufacturer to place the product to large number of buyer. Customers also extremely dissatisfied from the allotment channel and current method of convenience of the small scale industries. Small manufacturer ought to adopt new strategies of the convenience to the purchasers. It is impracticable to hold out all methods at the same time however a collection of methods that may function a skeletal framework for bespoken approach is critical to contact additional customers towards the tiny scale industries product.

#### REFERENCE:

1. Abdullah, A., Kamarulzaman, Y., and Farinda, A., G. (2008), "Legal Services And Marketing Limitations: A focus on SME in Malaysia, Vol. 4, No. 5, pp. 308-319.
2. Gilmore, A., Carson, D. and Grant, K. (2001), "SME marketing in practice", Marketing Intelligence & Planning, Vol. 19 No.1, pp. 6-11.
3. Hakimpoor, H., Tat, H.H. and Arshad, K.A. (2011), "Strategic Marketing Planning (SMP) and SMEs' Performance: The Moderating Effects of Structural Dimensions of Marketing Networks" 2nd International Conference on Business and Economic Research (2nd ICBER 2011) Proceeding, pp. 1013-1025.
4. Hallberg, K. (2000), "A Market-Oriented Strategy for Small and Medium Scale Enterprises", International Finance Corporation, Discussion paper, IFD 40.
5. Hill, J. (2001), "A multidimensional study of the key determinants of effective SME marketing activity", International Journal of Entrepreneurial Behavior and Research, Vol. 7, No. 6, pp. 211-235, MCB University Press, 1355-2554.
6. <http://www.business-fundas.com/2010/the-7-ps-of-services-marketing/> (accessed on 25 May, 2019)
7. Luetkenhorst, W. (2005), "Private Sector Development: The support Programmes of the Small and Medium Enterprises Branch, UNIDO, Small and Medium Enterprise Branch, working paper no. 15.
8. Nichter, S. and Goldmark, L. (2009), "Small Firm Growth in Developing Countries", World Development Vol. 37, No. 9, pp. 1453-1464.
9. Simpson, M., Padmore, J., Taylor, N. and Frecknall-Hughes, J. (2006), "Marketing in small and medium sized enterprises", International Journal of Entrepreneurial Behaviour & Research, Vol. 12, No. 6, pp. 361-387.
10. Yan, S. and Chew, D.A.S. (2011), "An investigation of marketing strategy.



**Dr. Lengare K. B.**

**M.Phil, Ph.D. , Associate Professor, Shri Chhatrapati Shivaji College, Omerga,  
Tq. Omerga Dist. Osmanabad, Maharashtra.**