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## **AN OVERVIEW OF SMALL BUSINESS SALES AND MARKETING STRATEGIES**

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### **Abstract**

*Small and medium enterprises (SMEs) have been the backbone of the Indian economy. The best portion comes first. Millions of jobs, especially at lower skill levels, have been created because to the efforts of small and medium-sized enterprises (SMEs), which account for close to 40% of India's workforce and 45% of India's industrial output. Forty percent of India's exports come from the country's 1.3 million SMEs. The bad news is that a lack of investment in technology and ineffective marketing methods have hampered the productivity of India's small and medium-sized enterprises (SMEs). They use 40% of India's labour force but only produce 17% of the country's GDP. Now more than ever, SMEs understand the significance of marketing and are making use of a wide range of marketing resources, including the internet, digital advertising in major cities, customer mobile applications, customer relationship management systems, and many more. This analysis looked at how different elements of the marketing mix affected the success of small and medium-sized enterprises (SMEs) in Madhya Pradesh (MP) State. A survey research strategy was used to accomplish the goals of the study. Three hundred participants were chosen using a random selection method. The research results demonstrate that the promotion strategy of SMEs in Madhya Pradesh (MP) State has a negative and substantial relationship with their sales and profitability performance.*

**Keywords:** *Small business, Sales strategies, Marketing strategies, Customer acquisition, Digital*



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## 1. INTRODUCTION

Sixty percent of all businesses employ fewer than five people, and eighty percent of all businesses' annual revenue does not exceed one million dollars. Even though they account for about a quarter of the total U.S. labour force, more than 86 percent of enterprises have fewer than 20 employees.

There were 649,700 start-ups that year, and 564,900 enterprises that went out of business. In the first five years, about half of all small enterprises fail. According to Dunn & Bradstreet, insufficient marketing or poorly focused and performed marketing are two common contributors to a failed business. Education and training might include lack of marketing expertise. In the United States of America, small companies constitute the backbone of the economy.

One-third of all patents issued are developed by small enterprises, which help drive the economy and keep the United States at the forefront of technology in the global marketplace. Over 60% of all new jobs are produced yearly as the result of small business owners creating possibilities for their business. Almost all enterprises (99.7%) are considered small businesses, while over half (45%) of all private sector employees are employed by small businesses.

Most of the items manufactured by major corporations are sold by small corporations, hence it is crucial for small businesses to innovate and bring new ideas and procedures to the market. When compared to huge patenting corporations, small businesses produce many times as many patents per employee. About half of all private sector output is created by small enterprises, and these establishments also supply many needs in specialised areas that large corporations ignore. When a small business expands into a medium- or large-sized company, it generates the equivalent of two-thirds to three-quarters of all net new jobs in the economy.

The Indian economy is booming, and the number of startups and growing businesses in the country's manufacturing, precision engineering, food processing, pharmaceutical, textile and garment, retail, information technology, agriculture, and services sectors is skyrocketing. The expansion of non-agricultural sectors like industry, services, and manufacturing is crucial to



India's economy because agriculture accounts for only a fraction of GDP. Small and medium-sized endeavors (SMEs) assume a fundamental part in the forward and in reverse associations of the modern area. SSI in Indian economy as small scope undertakings possesses an unmistakable spot in the economy because of significant commitment with regards to creation, sales and business. The Indian SSI industry has shown surprising product accomplishment over the course of the last ten years, with trade development arriving at twofold digits.

The MSMED Act 2006 (Miniature, Small and medium endeavors act 2006) was broadcasted by the public authority of India, and it characterizes "small assembling businesses" in light of the restriction of the authentic worth of interest in plant and hardware. The act establishes a dichotomy between two types of small businesses: First, there is the grouping that includes all the factories and assembly lines. Administrations giving associations make up the second arrangement of characterizations. As per the MSMED Demonstration of 2006, "small units" in classification 1 (fabricating) are characterized as modern elements with an interest in plant and apparatus of more than 25 lakh rupees however under five crore rupees. The MSMED Demonstration of 2006 characterizes a small unit as a business with a hardware speculation of in excess of ten lakh rupees yet under two crore rupees in Classification 2 (the help business). Each change in an economy is blade that cuts both ways which chooses achievement and disappointment for each individual unit. Important manifestations of this view include liberalisation and globalisation. Because so many industries were wiped out by the liberalisation wave, it is universally assumed that liberalisation is bad for SSIs. In the context of India, we examine the effects of globalisation and domestic economic liberalisation on the development of small-scale companies and their growth in terms of the number of units, the number of employees, the volume of output, and the value of exports. Thus, the relevant government agency should step up, as these aids will result in economic prosperity for the country as a whole. Recent instances in a developing country like Nigeria include tactics for dealing with colonial management ideas, post-colonial ideas, the marketing challenges of small businesses, the need for government action, and the need for citizen participation.



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## 2. LITERATURE REVIEW

Raju and Gopal (2006) state that Customer Relationship Management (CRM) is essential for companies of all sizes to succeed in the field of industrial marketing. They highlight the importance of creative customer relationship management practises that cater to the specific skills of marketers. The authors propose a customer classification system based on the relationship's key areas and suggest a thorough cost-benefit analysis be performed prior to any CRM activities being undertaken by enterprises. This method stresses the need of understanding consumer dynamics and building lasting relationships to guarantee efficient use of resources and the best possible CRM tactics for improved industrial marketing results.

In an effort to improve the effectiveness of existing products, Akula Ravi (2008) investigates the idea of co-branding as a possible technique. Ravi argues that co-branding is a novel method of advertising that can successfully attract the attention of people. A company's brand recognition, market penetration, and ability to offer differentiated value to customers can all benefit from strategic partnerships and alliances with other, complementary brands. This method has the dual benefit of attracting more customers and making the products or brands in question stand out from the competition by virtue of their uniqueness and originality.

Agarwal (2008) emphasises the relevance of utilising creative marketing practises, especially through the use of internet blogs and e-stores, to increase consumer engagement. Agarwal highlights the importance of these channels in today's ever-changing digital market, noting how they help businesses connect with their customers on a personal level, build communities, and encourage brand loyalty. By harnessing internet blogs, organisations can generate a more personalised and authentic brand narrative, effectively engaging consumers and gaining trust. With the advent of e-commerce, people are able to purchase from the comfort of their own homes at their leisure, increasing both customer satisfaction and the likelihood of repeat business.

The importance of a formal cluster approach for small and medium-sized businesses (SMEs) in their efforts to maintain worldwide competitiveness is highlighted by Bhatnagar, Jyotsna



(2009). In order to effectively challenge and surpass their competition, SMEs can use this unique marketing method as a catalyst to develop a unified and synchronised market strategy. Small and medium-sized enterprises (SMEs) can benefit from a greater presence in the market and more opportunities for collaboration and innovation if they adopt a formal cluster approach. Small and medium-sized businesses (SMEs) need to reevaluate their business models and put an emphasis on identifying and cultivating their core capabilities, particularly by encouraging innovation and adopting technology improvements, as stated by Dikshit, Dheeraj (2009). By pushing for a proactive approach to technological upgrading, Dikshit underlines the significance of technology as a catalyst for boosting operational efficiency and competitiveness within the SME sector. In addition, he encourages small and medium-sized enterprises (SMEs) to look for growth opportunities outside of the United States, stressing the importance of international expansion and market diversification for long-term success in today's globalised economy.

### **3. RESEARCH METHODOLOGY**

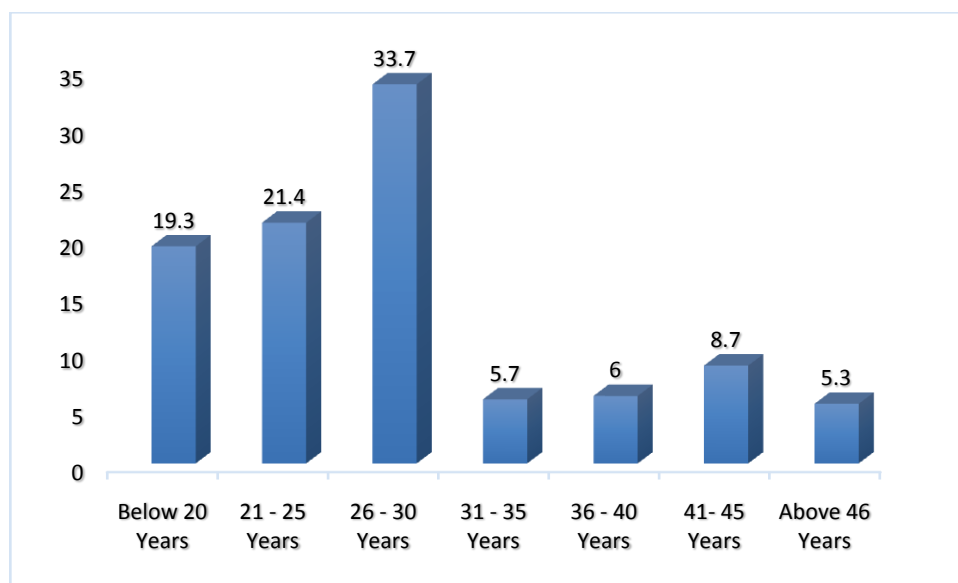
Survey research design was utilised for this study. Questionnaires were used to effectuate the data collecting. The levels of agreement were graded on a five-point Likert scale that also included "neutral," "strongly disagree," and "neutral." Business owners in Madhya Pradesh (MP) State are the focus of this research. Since comprehensive secondary data on the state's SMEs' operations are unavailable, the study opted for a selective selection strategy. Purposefully selecting 400 respondents, yet only 300 questionnaires were returned (81% response rate). For the purposes of our study, this is quite encouraging. There were 177 male responses, representing 59%, and 123 female respondents, representing 41%. Fifteen different Local Governments in Madhya Pradesh (MP) State were studied to identify and catalogue around fifty SME clusters. The service sector is heavily represented among the study's SME categories. Others involved come from the textile, food & beverage, manufacturing, and other related sectors. Data were analysed using percentage and multiple regression model.

#### 4. DATA ANALYSIS

The result of this study encompasses both demography and the subject matter.

**Table 1: Showing age bracket of respondents**

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Below 20 Years	58	19.3	19.3	19.3
21 - 25 Years	64	21.4	21.4	40.7
26 - 30 Years	101	33.7	33.7	74.4
31 - 35 Years	17	5.7	5.7	80.1
36 - 40 Years	18	6	6	86.1
41- 45 Years	26	8.7	8.7	94.8
Above 46 Years	16	5.3	5.3	100
Total	300	100	100	



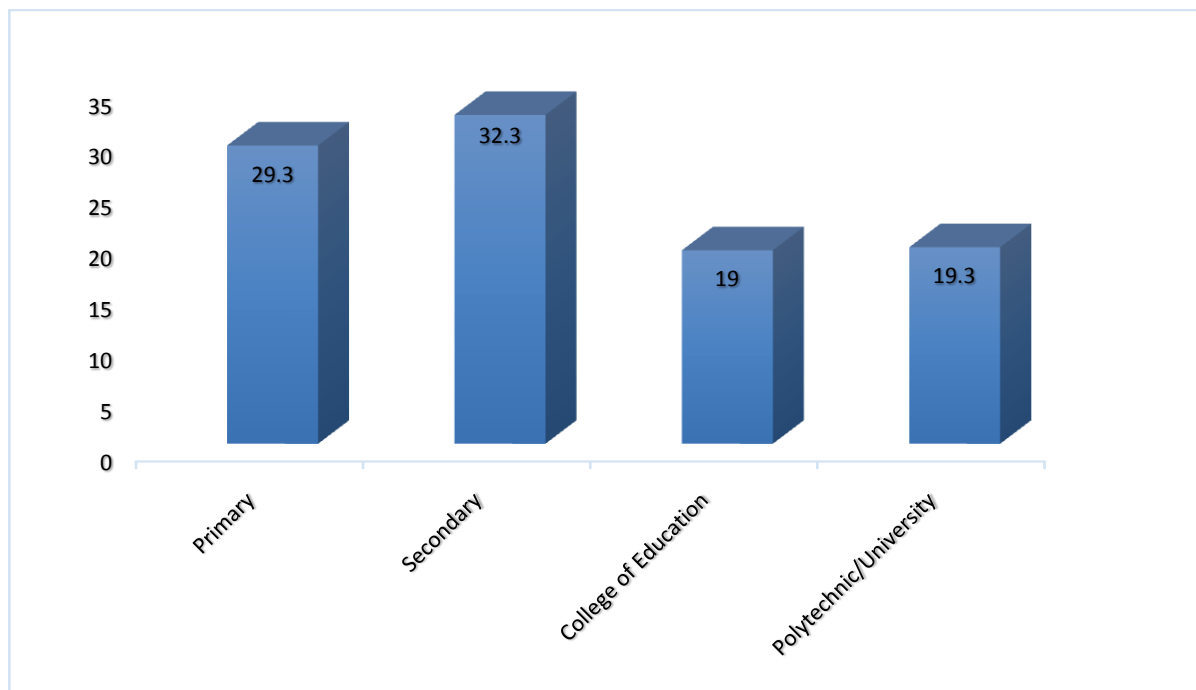
**Figure 1: Showing age bracket of respondents**

Table 1 shows how the participants' ages were represented in their responses. According to the results, over a third (33.7%) of the whole sample falls between the age range of 26-30 years old.

Respondents between the ages of 21 and 25 (21.4%) are the next largest age group. Also, 19.3 percent of the respondents are less than 20 years old, while 5.7 percent and 8.7 percent are between the ages of 31 and 35 and 41 and 45, respectively. More than eighty-six percent of respondents were between the ages of thirty-six and forty-five, and the percentages for the other age categories show a gradual accumulation of responses.

**Table 2: Level of education of respondents**

Responses	Frequency	Percent
Primary	88	29.3
Secondary	97	32.3
College of Education	57	19
Polytechnic/University	58	19.3
Total	300	100



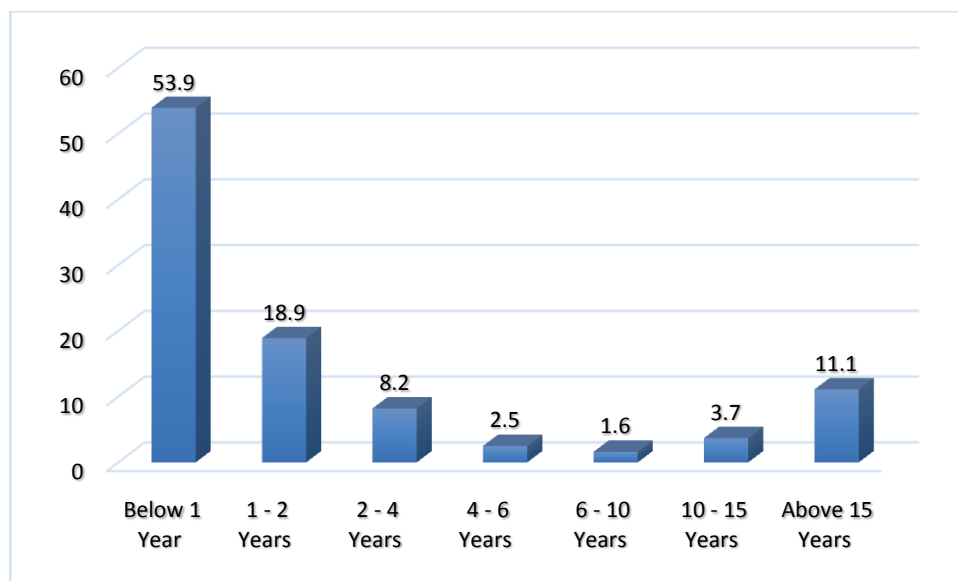
**Figure 2: Level of education of respondents**

A sample of 300 people's educational backgrounds are shown in Table 2. The greatest level of

education indicated by the sample was secondary schooling (32.3%), followed closely by primary school (29%). A sizable percentage of respondents also said that they have completed at least one year of college or university-level study (19%).

**Table 3: Showing business experience of respondents**

Response	Frequency	Percent
Below 1 Year	162	53.9
1 - 2 Years	92	18.9
2 - 4 Years	41	8.2
4 - 6 Years	15	2.5
6 - 10 Years	12	1.6
10 - 15 Years	27	3.7
Above 15 Years	51	11.1
Total	300	100



**Figure 3: Business experience of respondents**

With a total sample size of 300, Table 3 presents a breakdown of the distribution of responses with respect to the length of time since the implementation of a specific approach or



technology. The data shows that over half of adoptees (53.9%) have been in their families for less than a year, with another 18.9% indicating they have been with their families for between 1 and 2 years. Response rates decrease with increasing time horizons: 8.2% of respondents adopted strategies or technologies within the range of 2–4 years, while the corresponding percentages for longer horizons fell to 2.5%, 1.6%, 3.7%, and 11.1%, respectively.

**Table 4: Coefficients on marketing mix strategies and sales performance**

Predictors	Standardized Coefficients		Df	F	Sig.
	Beta	Estimate of Std. Error			
Pricing Strategy	0.362	0.231	2	2.501	0.091
Product Strategy	0.398	0.272	2	5.402	0.088
Promotion Strategy	-0.573	0.201	2	8.435	0.001
Distribution Strategy	0.381	0.89	2	17.112	0.001

Table 4 displays the results of a regression study investigating the impact of numerous predictors on a given outcome. The standardised coefficient for each predictor shows how much that predictor contributed to the outcome; larger positive values imply a stronger association, whereas smaller negative values indicate a weaker one. According to the findings, "Promotion Strategy" is the predictor with the largest standardised coefficient (-0.573), indicating the greatest influence on the outcome. This inverse correlation suggests that tinkering with the marketing approach leads to diminished results. Standardised coefficients for "Product Strategy," "Distribution Strategy," and "Pricing Strategy" are all moderately positive and indicative of a positive impact on the outcome (0.398, 0.381, and 0.362, respectively). Furthermore, "Promotion Strategy" and "Distribution Strategy" both have F-values and p-values that indicate a statistically significant link between these predictors and the outcome (both at p 0.001). Weaker but still possibly important associations are indicated by the F-values of 2.501 and 5.402 for "Pricing Strategy" and "Product Strategy," respectively, with corresponding p-values of 0.091 and 0.088.



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## 5. CONCLUSION

The marketing department can only do its job properly if it has support from upper management and employees. Because there are fewer people between the decision-makers and the people who put their decisions into action, SMEs are better able to adopt innovative marketing practises. The SMEs must first define their objectives precisely before assessing their aptitudes and resources against the many innovative marketing options. Effective small and medium-sized ventures (SMEs) utilize imaginative marketing techniques that are grounded on distinct marketing intends to arrive at new and existing clients. Sales execution for small and medium-sized ventures (SMEs) in MP State is viewed as significantly unaffected by marketing blend techniques. Results uncover that valuing, item, advancement and circulation techniques play out freely in connection with sales execution of SMEs in MP State. There is a negative relationship between's SME sales execution and advancement techniques, and a positive connection between's SME sales achievement and conveyance procedures. The sales aftereffects of SMEs in MP State are not altogether corresponded with evaluating and item strategy.

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