

Innovative Marketing Strategies Followed By Small Scale Industries in Manufacturing Sector during Post COVID Pandemic in Pune City

Dr. Kulkarni Vinod Ramakant¹, Akshay Bhalchandra Motegaonkar²

¹Professor, JSPM's Kautilya Institute of Management & Research Wagholi, Pune

²Ph.D. Research candidate, BJS Arts Science and Commerce College Wagholi, Pune

ABSTRACT

Small Scale industries (Micro Small Medium Enterprises- MSMEs) are backbone of the rural and the urban development of any society. These industries generate the employment opportunities for low or moderate skill workers as well as local people and help them to grow and develop their skillsets and earn livelihood for their families. As a part of their marketing, advertising and branding strategies, they used to rely predominantly on the word of mouth and generating new business from old contacts kind of strategies. Nevertheless, COVID pandemic posed serious challenges in terms of survival, change in the business strategies, portfolios, offerings, for these Small Scale Industries and they have to change their method of marketing.

Pune, a densely populated industrial hub is having a close proximity of 150 km to the Financial capital of India i.e. Mumbai and is considered as the major industrial city for the automotive and Non- automotive manufacturing industries across the India and world. Chakan, Bhosari, Ranjangao, Akurdi, Talawade, Jejuri, Chinchwad, Hadapsar etc. industrial belts developed by Maharashtra Industrial Development Corporation played a big role in development of a huge business cluster of manufacturing companies in and around Pune.

Post COVID-19, the Small Scale Industries have switched from the conventional 'word of mouth', newspaper small ads, old contacts, attending small exhibitions, attending buyer seller meet etc to the use of digital marketing platforms like use of IndiaMart, Facebook, Instagram, Whatsapp, Use of artificial intelligence tools etc. Attending online fairs and exhibitions, trade expos, having shared space in Business hubs, lucrative design of etc.

The research aim to understand the psyche of the Small Scale manufacturing industry owners and representative about the new and innovative strategies they have adopted post COVID 19 scenario, any challenges they have faced, advantages and the response they have received from new customers etc.

The research aimed at spreading awareness to use the digital social media effectively and with ease for the improvement of marketing campaigns and getting a paradigm shift in the marketing turn around.

Key words: Digital media, marketing campaigns, paradigm shift

INTRODUCTION

Definition and Understanding of the Micro and Small Enterprises:

The Government of India has introduced MSME or Micro, Small, and Medium Enterprises in agreement with Micro, Small and Medium Enterprises Development (MSMED) Act of 2006. These enterprises primarily engaged in the production, manufacturing, processing, or preservation of goods and commodities.

According to one of the articles*, which got published on www.lendingkart.com, in India, MSMEs contribute nearly 8% of the country's GDP, around 45% of the manufacturing output, and approximately 40% of the country's exports. It will not be wrong to refer them as the 'Backbone of the country.'

MSMEs are an important sector for the Indian economy and have contributed immensely to the country's socio-economic development. It not only generates employment opportunities but also works hand-in-hand towards the development of the nation's backward and rural areas.

According to the annual report by the Government (2018-19), there are around 6,08,41,245 MSMEs in India.

These MSMEs proposal was made to redefine MSMEs by the Micro, Small and Medium Enterprises Development (Amendment) Bill, 2018, to classify them as manufacturing or service-providing enterprises, based on their annual turnover.

Table: 1 Classification of enterprises into micro, small and medium enterprises (in Rs)

Kind of enterprise	Act of 2006		Amendment as per 1 st Jul-2020
	Manufacturing	Services	All enterprises
	Investment towards plant & machinery	Investment towards equipment	Annual Turnover
Micro	25 lacs	10 lacs	5 Cr
Small	25 lacs to 5 Cr	10 lacs to 2 Cr	5 Cr to 50 Cr
Medium	5 Cr to 10 Cr	2 Cr to 5 Cr	50 Cr to 250 Cr

(Ref: msme.gov.in/know-about-msme)

Since as per the amended bill of 2020, the companies having annual turnover in the range of 50 to 250 Cr are having alternate product portfolios, sales strategies and diversified business.

Salient Features of Small Scale Industries (SSI) or Micro, Small and Medium Enterprises (MSMEs):

Following are some of the essential elements of Micro and Small Enterprises –

1. Micro and Small Enterprises work for the welfare of the workers and artisans. They help them by giving employment and by providing loans and other services.
2. Micro and Small Enterprises provide credit limit or funding support to banks.
3. They promote the development of entrepreneurship as well as up-gradation of skills by launching specialized training centers for the same.
4. They support the up-grading of developmental technology, infrastructure development, and the modernization of the sector as a whole
5. Micro and Small Enterprises are known to provide reasonable assistance for improved access to the domestic as well as export markets.
6. They also offer modern testing facilities and quality certification services.
7. Following the recent trends, Micro and Small Enterprises now support product development, design innovation, intervention, and packaging.

Role of SSI/ MSMEs in Indian Economy:

Since its formation, the MSME segment has proven to be a highly dynamic Indian economy sector. MSMEs produce and manufacture a variety of products for both domestic as well as international markets. They have collaborated and worked with the concerned ministries, state governments, and stakeholders towards the upbringing of rural areas.

MSMEs have played an essential role in providing employment opportunities in rural areas. They have helped in the industrialization of these areas with a low capital cost compared to the large industries. MSMEs also contribute and play an essential role in the country’s development in different areas like the requirement of low investment, flexibility in operations, mobility through the locations, low rate of imports, and a high contribution to domestic production.

With the capability and capacity to develop appropriate local technology, provide fierce competition in domestic and international markets, technology-savvy industries, a contribution towards creating defense materials, and generating new entrepreneurs by providing knowledge, training, and skill up-gradation through specialized training centers.

Concept of Marketing:

Marketing is about connecting your company with potential customers and connecting those customers with your products. It involves understanding customer needs, translating those needs into products and services, packing and pricing those products and services, and then convincing customers that they need to buy those products and services.

Marketing is the entire cycle from identifying potential customers to satisfying those customers' needs with the products you produce.

It starts with the thought of customer and ends with thought of customer and all other processes fall in between.



Image: 1- Marketing Process
 (Image Courtesy: www.optimizely.com)

Innovative Marketing Strategies:

A globally renowned business web portal Optimizely defines Marketing Strategy as- A marketing strategy is a long-term plan for achieving a company's goals by understanding the needs of customers and creating a distinct, unique and sustainable competitive advantage. It covers everything from determining who your customers are to deciding what channels you use to reach those customers.

With a marketing strategy, you can define how your company positions itself in the marketplace, the types of products you produce, the strategic partners you make, and the type of advertising and promotion you undertake.

Marketing is more than just advertising and promotion – it's all about connecting with the customer. Developing a marketing strategy involves setting goals, researching the market, developing product plans, defining your marketing initiatives.

During COVID pandemic major disruptions occurred for the several businesses and industries so in order to quickly recover from the losses and these ill impacts, industries adopted variety of innovative strategies to bring back the sales to normal figures and run the businesses.

Need to study the innovative marketing strategies of Small Scale Manufacturing Industries:

Every company or enterprise use its own ways or means of marketing its product or services. Some of them believe in word of mouth publicity, some believe in offering the products at discounted rates, some companies emphasize on the quality and best offerings of the products, some companies believe in brand associations, some companies emphasize on the innovation, some advertise regarding the quality of service, delivery and commitment honoring, some companies exhibit their products in various exhibitions and trade expos. Some companies prefer face to face meetings with their end customers or user or consumers, some companies prefer to reach out to their customer base virtually or through e-mails, social or professional media, some prefer to reach out to their target customers with the help of brand endorsements by reputed personalities, However, the Covid-19 pandemic changed the overall of way of doing the business and so the marketing strategies got changed. With this research, a detailed study was carried out about the changed that occurred in marketing strategies of the Small Scale Industries, specifically in manufacturing industries in Pune region.

The companies felt the need to have innovative marketing strategies designed to regain the momentum of the business quickly and bring back to earlier levels. The innovative marketing strategies can be related with advertising, sales promotion, discounts, changing product lines, tapping new geographies, deploying various media for marketing etc.

Various Marketing Strategies:

Various schools, scholars define marketing strategies typically based on the Marketing Mix (7 Ps) -Product, Price, Place, Promotion, People, Packaging, Process.

These 7 Ps of marketing are extremely important from the marketing strategy design and should be well thought before planning of the marketing activities. These 7 Ps help to analyze the internal strengths and weaknesses of the business as well as external opportunities and threats to business.



Image: 2- 7P's of Marketing
(Image Courtesy: www.optimizely.com)

Some of the companies follow the marketing strategy of dealing with Business to Business and Business to Customer/Consumer. Some companies believe in having their digital presence and its gratification.

Design and Importance of Innovative Marketing Strategies:

A) Designing of Marketing Strategies:

Marketing strategy can be understood as a comprehensive plan designed particularly for achieving the marketing objectives of any organization. It outlines the blueprint for attaining these marketing objectives. It is the foundation of a marketing plan.

It can be designed after detailed marketing research. A marketing strategy helps an organization to focus on its scarce



resources on the best possible opportunities so as to increase the sales and profit.
A marketing strategy is designed by:

1. Identifying and selecting the target market:

Target market means- to whom the organization wants to sell its products. Not all the market segments are beneficial to an organization.

There are certain market segments, which can guarantee quick profits, there are certain segments, which may be having great potential, but there may be high barriers to entry. A careful choice and selection has to be made by the organization. An in depth marketing research has to be done of the traits of the buyers and the particular needs of the buyers in the target market.

2. Aggregating the marketing mix:

By marketing mix we mean how the organization proposes to sell its products. The organization has to gather the four P's of marketing in appropriate combination. Gathering the marketing mix is a crucial part of marketing task. Various decisions have to be made such as –

1. What is the most appropriate mix of the four P's in a given situation
2. What distribution channels are available and which one should be used
3. What developmental strategy should be used in the target market
4. How should the price structure be designed

Importance of Innovative Marketing Strategies

1. Innovative Marketing strategy provides an organization an edge over its competitors.
 2. Innovative Marketing Strategy helps in developing goods and services with best profit making potential.
 3. Innovative Marketing strategy helps in discovering the areas affected by organizational growth and thereby helps in creating an organizational plan to cater to the customer needs.
 4. Innovative Marketing Strategy helps in fixing the right price for organization's goods and services based on information collected by market research.
 5. Innovative Marketing Strategy ensures effective departmental co-ordination.
 6. Innovative Marketing Strategy helps an organization to make optimum utilization of its resources so as to provide a sales message to its target market.
 7. Innovative Marketing Strategy helps to fix the advertising budget in advance, and it also develops a method which determines the scope of the plan, i.e., it determines the revenue generated by the advertising plan.
- In short, an Innovative Marketing Strategy clearly explains how an organization reaches its predetermined objectives.

Rationale behind the research:

Covid-19 pandemic caused a global havoc and posed tremendous challenges in front of the business and industries. Industries lost their businesses, existing orders, new businesses and projects, economic positions and stability, growth prospects. Pandemic situations or other similar catastrophic situations like flood, war against other nation, earthquake, tsunami or any other natural calamity can pose such challenges to the businesses and industries thereby directly affecting the employers and employees and their families.

Employees who are having sole source of income through their salaried job in such micro and small companies faced immense challenges of survival during this time and it was the question of their and their family's livelihood. Though the businesses are meant for profit, the basic aim of the business is create a source of income for the owner (employer) and the employees. Therefore, along with all the businesses in all the sectors, the Small Scale Industries or typically the Micro and Small Enterprises also have to shuffle their marketing strategies post COVID -19 pandemic. Therefore, the research aims at studying the marketing strategies of these small-scale industries and suggest changes in the same to improve the effectivity.

Significance of the research:

The research was carried out to understand the availability and approach about existing and revised market strategies in



order to ensure efficient and growth orientation of the Small and Micro Enterprises in manufacturing industries in Pune region. In case such there are no structured marketing strategies are in place, can a model or structure for the marketing strategies be developed for these companies so that the companies can efficiently progress in fewer expenses spend on marketing and gaining more results?

PROBLEM STATEMENT:

The research aims at analysis of marketing strategies of Small Scale manufacturing industries in Pune post COVID pandemic area was carried out and hypothesis made are cross -verified with reference to the objectives considered.

REVIEW OF LITERATURE:

In order to carry out this research following books, earlier researches, websites and resources were referred:

Books:

1. **The Sales Bible: Author Jeffrey Gitomer, Wiley Publication, 2nd Edition 2014-** The book , like the Bible, gives various commandments for the sales, flaws in selling, rules of success in business, core values of the sales professional, Sales success etc.
2. **The New Strategic Selling: Author Robert B. Miller and Stephen E. Heiman, Tad Tuleja, Grand Central Publishing, Revised Edition 2005-** The book mainly talks about the selling ability depending upon strategies and tactics, assessment of company's current position , transforming weakness in strategy to the strength etc.
3. **Marketing Management : Author Philip Kotler, Keveb Lane Keller Pearson Publication- edition 2015-** This book being one of the most widely used Marketing book for deciding the strategies, policies, modus operandi for the business, risk assessment and risk planning, working on various business models,5P strategies, value creation and value proposition for business, demand analysis etc.
4. **Research Methodology: Methods and Techniques. Author: C R Kothari and Gaurav Garg, New Age International Publication, edition 2019.** The Research methodology cited in this book gives a simple and clear understanding about how the research needs to be carried out, what should be our objectives, hypothesis, considerations for inclusions and exclusions, what should be the population, how a sample needs to be selected, what should be then research methodology, how the primary and secondary data to be collected and use of various techniques of research analysis in order to come to a conclusion and suggestions based on the research work carried out.
5. **Research Methodology - For Ph.D. Course Work Author: Ranjith Singh, RT Publications 2021. -** This book gives ideas and examples of research methodology processes, gives more insights on the tools and techniques of the Research Methodology and can be of great help during the research for the doctoral research.

Earlier Researches:

1. **Dr. S. R. Kandalgaonkar and Mrs. Sayali Bapat (Apr-2019)** conducted a research on **-A study of MSMEs industries in MIDC Bhosari area** published in **‘Indian Journal of Applied Research’** have studied the MSMEs in Bhosari Region with the primary data collection and use of reports issued by MIDC and Government of Maharashtra GR's with sample size of 90 companies and highlighted the major concerns of running the business.
2. **Dr. Indrakumar** conducted a research on **–Covid 19 and its impact on the Micro, Small and medium Enterprises in India’** which got published in **‘Manpower Journal, Dec-2020 issue’** The research studied impact of Covid-19 on the MSMEs, which showed that the Covid-19 impacted these companies in big way- acute cash crunch, shut down of the business and large case job loss etc. The researcher used primary and secondary data for the research work.

Webliography:

Lot many educational websites and online portals play an important role to give more idea of the research works which have been done in the past on similar subjects, in the same field, in the same geography, with the same theme, with the same intention and so on, which can be helpful to collect the secondary data or other references for our research work.



1. www.hbr.org
2. [Discover Journals, Books & Case Studies | Emerald Insight](#)
3. <https://www.ricoh-usa.com/en/insights/>
4. <https://home.akitabox.com/>
5. www.Lendingkart.com
6. www.scribbr.com

RESULTS AND DISCUSSION

1. The industries have felt the need of changing the conventional marketing strategies and adapt to the new age marketing strategies.
2. The need of digital presence in form of social and professional media is understood and it's power is getting witnessed by Small Scale Manufacturing industries in a big way.
3. The financing methods like- bill discounting, vendor financing, Value Add Value Engineering (VAVE), Year on Year Productivity are being offered to customers. Supplier credits are also getting evaluated by them.
4. Addition of scope in terms of current activities like- extending the shipment terms, addition of scope in terms of supply chain (in form of sub-assemblies of the bought out components, design proposals etc) are being followed.
5. Small Scale Industries are preferring the industry specific exhibitions, cluster specific expos for showcasing their capabilities and getting new business enquiries.

CONCLUSION

In the age of Industry 4.0, Small Scale Manufacturing Industries need to upgrade their marketing strategies to cope up with the needle sharp competition and grow the business. The Scale Industries from Pune region in manufacturing industry have understood the importance and awareness of the same and started implementing the same in their day to day life. Social media presence, advertising, financing options etc. are being evaluated by them. This kind of awareness has to be spread in small cities and the industrial areas to promote their growth also.

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