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REVIEW OF LITERATURE

2.0 Introduction:
Review of Literature, the second part of the thesis is concerned with the discussions, main findings and its conclusions of various research journals, papers, research articles, reports, dissertations, surveys, newspapers and websites related with the research theme titled “Study of Marketing Problems of SMEs in the Field of Manufacturing Industries in Pune with Reference to MIDC Chinchwad Area.” Through different literature reviews from various sources, the main focus was to know the current existing marketing problems which SMEs were facing and the solutions they were implementing. Apart from this, the objective was to know what steps these SMEs have taken to resolve their marketing problems.

2.1 Review of Literature:
The time period of Literature Review was from year 1990 onwards. Reviewed literatures for this research study were as below:

Huang, X. and Brown, A. (1999) in their research paper titled An analysis and classification of problems in small business published in International Small Business Journal explained that by expanding business strategies, entrepreneurs and business managers gather data and knowledge to boost the growth of the organization. Government association and course of action makers can extend industry support program. Research efforts and academic inputs can be directed by academician and consultancy. Understanding of troubles will furnish right knowledge to suggest more suitable solutions via extending services such as consultancy.
Stokes, D. (2000) in his research work titled *Putting Entrepreneurship into Marketing: The Processes of Entrepreneurial Marketing*² found that large firm marketing action is prescribed, planned and logical while small firm use marketing for instant requirements and just modest attention is paid to tactics strategies and investigation. Entrepreneurs, who started the SMEs, are determined by modernization and perceptive markets feel not by marketing concepts as SMEs promote innovations and then consider customers and further influencing group’s suggestion. Stokes suggested that to understand requirements of customer, segmentation, targeting and positioning (STP) course of action must be used as it is an actual marketing in factual logic.

Kotler, P. (2000) in his *book Marketing Management Millennium Edition*³ explained that SMEs may follow proper marketing practices like Entrepreneurial marketing in which numerous organizations are started by single entrepreneur who make out a prospect and blow on it to get consideration and an entrepreneur shifts various places to sale the products using grassroots public relations and direct selling and move toward developing well-built and dependable customer base. Another one is Formulated marketing in which firm starts thinking in methodical way of marketing by formulating strategies for each of the key characteristic of marketing mix when it get premature achievement through well-built customer base and afterward stage of marketing many companies get trapped in formulated marketing like examining recent ratings, attempting to polish up relations with sellers, research reports scanning and promotional messages. Hence SMEs should adopt these marketing practices to avoid various marketing related problems.

Levinson, J. C., and Grodin, S. (1994)⁴ in their research study emphasized on implementation of formulating proper marketing approach to compete with other enterprises due to more inflexible designed approach, numerous companies not have resourcefulness and passion of towards guerrilla marketing. Brand and product managers of company at this level have to act like entrepreneur and initiate thinking for customer benefits and envisage new ways of value addition to lives of customers.
The research work titled *The Future of Competition* by Kathandaraman, P. and Wilson, D. T. (2001)\(^5\) pointed out that SMEs in various parts of the world are at the border of failure as there are very intensive competition due to factors like globalization, internet and information technologies usage, diverse electronic edge, enlarged interdependence and markets accessibility. Markets have been transformed into structurally unstable as there are rapid changes in technology and associated difficulties.

**Moller, K. K., and Halinen, A. (1999)** in their research paper titled *Business Relationships and Networks: Managerial Challenge of Network Era*\(^6\) found that there has been a shift towards evolution of network-centered SMEs as they are exploiting various technologies for building strong business network and this new circumstances required to accept new marketing technique above existing marketing perceptions. Hence SMEs have to implement both traditional and modern approach of marketing to avoid marketing related problems.

**Chris, H. (2002)** in his book titled *Profile of SMEs and SME issues in East Asia*” published by “Edward Elgar Publishing Ltd”\(^7\) described that SMEs are acknowledged as foremost tactical inoculation to nations worldwide. Many countries observed job formation and assets creation via various activities of SMEs are very high. Branding is the major problem faced by different SMEs in the developing economies.

As per the research work conducted by **Firat, F. A., and Dholakia, N. (2006)**\(^8\), Inductional marketing techniques is used to encourage ultimate consumers and stake holders like distributors, suppliers and still competitors to team up beneficially with firm. SMEs should influence hopes and views of both final customers and other firm counterparts with the aim of encouraging them to contribute in the growth of the enterprises.
Priyanath, H. M. S. (2006) in his research paper named Managerial deficiencies in the Small and Medium Enterprises (SMEs) in Sri Lanka: An Empirical evidence of SMEs in the Ratnapura District published in Sabaragamuwa University Journal discussed about the basic deficiencies of Sri Lankan SMEs. He observed that fundamental management utility POSDC-Planning, Organizing, Staffing, Directing, and Controlling have not been followed correctly by Sri Lankan SMEs and due to this; their growth is very slow and time consuming. He concludes that SMEs in Sri Lankan SMEs do not have better planning. They are unable to judge obstacles, problems and are also unable to take advantages. Many of the SMEs are unable to maintain quality of products, manufacture ample produce on time, pay for raw materials and distribute products to market promptly. They also do not have right marketing planning and due to bad marketing management they are producing the same products with the same quality from a longer time. There are no enhanced advertising systems for product promotions. Hence, Sri Lankan SMEs have to overcome these to survive in the global arena.

Das, et al. (2007) in their research paper titled Strengthening SMEs to make export competitive explained that SMEs do not have export competitiveness due to product reservation, rigid policies at the entry and exit phases, lack of adequate finance at reasonable interest rates, inflexible labor markets and infrastructure problems like power tariff and lack of export infrastructure.

Ayyagari, M. B. T. et al. (2007) and Chris, H. (2002) in their research paper titled Small and Medium Enterprises Across the Globe described that typically 20 to 50 % is the share of SMEs in growth of GDP worldwide in preceding decade. Consequently, this is very noteworthy to recognize the handy difficulties of SMEs along with plans to grip it effectively.
In the book titled *Small Scale Industry: Performance and Performances* published in the book *Small Scale Industries Performance and Challenges* edited by Lahiri, K. (2007) has recognized marketing as one of the reasons for SSIs sickness. The identified marketing challenges have to be taken care in order to stay in both national and international markets. In SSIs, product marketing is the most important and hence they should maintain quality and meanwhile have to symbolize it properly in front of its target consumers. Before globalization, SSIs used to meet the quality standard but after globalization are unable to meet those criteria. The reasons behind this are customer assortment, improper pricing of the product concerned and unfavorable advertising. They also faced tough competition from MNCs on appropriate pricing and capturing of customer assortment, after the domestic market was opened up for the foreign products. Advertising for the concerned product is another factor that the SSIs lack.

In his book titled *Small Business and Entrepreneurship. (2008). Kumar, S. A.* has explained internal and external problems which small-scale industries in India are facing. Some of the major internal or personal problems faced by an SSI are as mentioned below:-

- a) Poor business viewpoint
- b) Lack of planning
- c) Lack of coordination
- d) Lack of technical knowledge
- e) Outdated method of production and substandard techniques
- f) Poor quality of products of service
- g) Inadequate training and skills
- h) Low capacity utilization

The major external problems faced by SSI are as mentioned below:-

- a) Marketing related problems
- b) Problem of change in technology
- c) Competition from large-scale industries
- d) Lack of infrastructure
An NCAER study conducted on about 650 units over the country says that issues related to finance and marketing are not generally handled properly in professional way. Most of SSEs (93 per cent) depend on their family and friends for important decisions. Majority of the units (75 per cent) select the product line because they had some experience in that line or were aware that the demand prospects were better. Some of these are ex-employees of some large company and have rented ideas from their workplace. An objective analysis and proper prospecting was not usually done. 90 per cent of the entrepreneurs had not undergone any training proceeding to setting up the business and about 90 per cent of the enterprises did not have any quality for their products, and more importantly most of them felt that they did not require it. The author has suggested some of the measures and steps to be taken by SSI before and during the business operations. Some of them are as below:-

a. Define the goals and main objectives of business venture before the beginning of business.

b. Plan the market with attention to a well–defined market segment and

c. Formulate a marketing plan for the product.

In the concluding section of research paper titled Constraints to SMEs-A rated factor analysis approach by Syed, M. Q., and Nayeem, A. M. (2008) published in Munich Personal RePEc Archive Journal in which they identified that SMEs in Bangladesh are facing some major marketing problems. They are not getting more support from government to assist them to compete with MNCs in global markets. Due to this they are not able to exploit the export market globally.

Sarah, S. bt. Omar et al. (2009) in his paper The Background and challenges faced by the Small Medium Enterprises. A Human Resource Development Perspective published in International Journal of Business and Management found that the business operations of Malaysian SMEs are not good due to the unavailability of qualified staff. In their concluding section, they suggested Malaysian SMEs to adopt strategies to enhance knowledge, skills and experience.
According to the research paper labeled as *Significance and Development Problems of SMEs in Contemporary market economy* published in *Serbian Journal of Management, Stefanovic, I. et al. (2009)*\(^\text{17}\) have conducted investigations in 1404 SMEs where number of employed people was 14485 which means per SMEs, the number is 13 employees. The analysis result discovered that marketing related troubles are due to shortage of information related to market place (9.4 per cent), shortage of qualified work force (9.4 per cent) and inappropriateness with the standards (7.1 per cent).

In the abstract of research paper titled *The Challenges of SMEs in Modern Marketing* published in *Studia Universitatis Babes-Bolyai, Negotia* written by *Preda, O., and Furdui, I. (2009)*\(^\text{18}\) in which they found some major challenges of SMEs in modern marketing like lack of online presence and limited online promotions. The authors suggested that SMEs should upgrade their competitiveness and their knowledge about online marketing. Indian SMEs are doing limited online promotion in comparison to MNCs which are investing a specific amount of money in web advertising.

In *The Icfaiian Journal of Management Research*, the authors *Upadhyaya, P., and Mohanan, P. (2009)* in his paper titled *Electronic Marketplace Adoption: A Case Study of Manufacturing SMEs*\(^\text{19}\) have found some marketing problems due to which SMEs are becoming sick. The third All-India Census from the time period from 2001 to 2002 conducted by Ministry of Micro, SMEs, Government of India, about 822,896 (7.82 per cent of the total units) units were suffering from sickness. The top five states in India which constituted 54 per cent of the total sickness were Kerala, Tamil Nadu, Andhra Pradesh, Karnataka and Maharashtra. Major reasons for the sickness were shortage of demand, scarcity of working assets and marketing troubles. 12 per cent were facing the problem of non-availability of raw materials. They suggested the concept of e-market place which has been an innovative one for SMEs to overcome marketing problems as it provides an easy platform for SMEs to contact large buyers and have their presence globally without even owing a website.
The authors Dwyer, M. O. et al. (2009) in their research paper titled Innovative Marketing in SMEs: An empirical study published in Journal of Strategic Marketing identified that innovative marketing can help SMEs in their long term growth. This research was done for identifying SMEs decision makers’ outlook on innovative marketing and to evaluate these with the nature of innovative marketing practices actually carried out by the SMEs. The authors have proposed a theoretical model for SMEs of novel marketing in which comprises of customer centric, market centric, distinctive plan, amendment, unpredictable and integrated marketing.

In the concluding section, the authors have said that customers take a risk when they purchase from SMEs without a known global brand name and hence SMEs are connect in incremental moderately than radical innovations thus dropping risks to customers but this also has the effect of reducing the uniqueness of their plan. This study also illustrates the intrinsic awareness of SMEs regarding their customers, their markets and their own abilities.

Stefanovic, I. et al. (2009) discussed that SMEs, besides several advantages, have featured with numerous disadvantages such as unfeasibility to access large and profitable markets as there are generally tough barriers for entering those markets, pertaining to investment in marketing research, promotional activities, development of distribution network, building of production capacities, etc. In continuation of balance economy, acquaintance and know-how in such field facilitates several advantages in structure of costs, throughout time it leads to additional funds growth which can be reinvested in diverse ways.

Rai, D. (2009) in his research paper titled Development Policies for Micro, Small and Medium Enterprises (MSMES) in India found that the benefits of the SMEs have created a special position and magnitude in the Five-Year Plans right from their commencement. In recent years, the MSME sector has constant superior growth rate compared to the whole industrial segment.
In this globalised environment the government of India has realized that there is a need to develop the global competitiveness of the MSMEs by simplifying systems and procedures, easy access to capital and taking the MSMEs in the global value chain by increasing their productivity. To promote and develop the MSMEs, the government has implemented several schemes and programmes to accommodate to the needs of the sector.\textsuperscript{24}

\textbf{Report of Prime Minister’s Task Force (2010)}\textsuperscript{26} exposed that MSMEs in India face several problems such as, lack of availability of adequate and timely credit, high cost of credit, lack of collateral requirements, limited access to equity capital, problems in supply to government departments and agencies, procurement of raw materials at a competitive price, storage space issue, designing, packaging and product display, lack of access to global markets, insufficient infrastructure facilities like power, water and roads, low technology and lack of access to modern technology, problems of skilled labor for manufacturing, services and marketing, range of labor laws and complex procedures, absence of a suitable system which enables the quick revitalization of sick enterprises and procedures to close down the unviable entities and issues relating to direct and indirect taxation and their actions.\textsuperscript{26} All these problems lead to marketing challenges of SMEs products in the market and this restrict them to be a local enterprise even they are operating for 20 years in the market as there is no any brand building activities conducted by them.

As per Reijonen, H. (2010)\textsuperscript{27} various researchers judge that marketing differs on the basis of firm size, small firm marketing has been characterized as unsystematic in contrast to larger firm, casual, movable, formless, unplanned, imprudent, designed as per industry norms. SMEs are paying less attention on marketing due to resources limitation like time, capital and marketing acquaintance match up to larger enterprises.
Jha, S. N., and Agrawal, N. K. (2010) in their research paper titled *A case study of the marketing problems of small scale industries* published in *Management Convergence* found some foremost marketing problems encountered by Indian SMEs like limited advertisement, non-branded products, stiff competition from other industries and adoption of cost-oriented prices. Indian SMEs do not pay more attention to find out problems related to marketing. Apart from it, improper marketing strategy planning is also one of the reasons due to which, the SMEs are not doing good progress in their respective areas.

According to the research paper titled *Marketing Challenges for high-tech SMEs* published in *Innovative Marketing*, the authors Gliga, G., and Evers, N. (2010) suggested that customer’s needs & wants can be known by traditional marketing research methods like survey & focus group. Marketing strategies should differ with different types of products, different types of markets and different types of customers. There is no flexibility in marketing capability. The SMEs employees don’t get the marketing training properly.

Muhammad, M. Z. et al. (2010) in their research paper titled *Small and Medium Enterprises (SMEs) competing in the global business Environment: A case of Malaysia* published in *International Business Research* noted that Malaysian SMEs are not getting more support from their state government. They have limited R&D due to limited capital and hence are not able to focus on brand building to compete globally. They are getting solid competition from MNCs. The authors suggested that SMEs in Malaysia should use energy saving devices, modern and upgraded machineries to enhance efficiency and productivity. They explained about a program started by SMIDEC (Small and Medium Industries Development Corporation) namely “University-SME Internship Program” for creating a link and understanding between University and SMEs in which student will do their internship without any remunerations and help SMEs in solving their management related problems.
SMIDEC has been also organizing “Skills Upgrading Program” where SMEs employees can get training in technical and other skills in which 20 per cent of total training cost will be borne by SMEs and remaining 80 per cent by SMIDEC. SME Export Advisory Panel (SEAP) Program was also initiated by SMIDEC to assist SMEs by offering onsite assistance from industry experts in the form of on spot solutions to the problems. SMIDEC has launched Industrial Linkage Programs (ILP) with the aim to widen domestic SMEs into aggressive producer and sellers of parts and components related service to bigger companies. In this way Malaysian SMEs are assisted by SMIDEC in competing globally.

In International Journal of Business, Management and Social Sciences, the authors Kalpande, S.D. et al. (2010) in their paper titled A SWOT Analysis of Small and Medium Scale enterprises implementing total quality management have presented SWOT analysis of Indian SMEs and discovered the following problems:

- Lack of quality consciousness,
- Underutilization of capacity,
- Lack of trained workers,
- Inadequate attention to research and development,
- No planning and long term strategies

The authors further said that due to these Indian SMEs face competition from large and multinationals. They are not producing quality products as there is an increase in input price. They suggested education and training to managers/owners regarding the benefits and need of continuous improvement and other aspects like quality and its need.

The research paper Market Orientation & Business Performance among SMEs in Ghana authored by Mahmoud, M. A. (2011) has examined that SMEs owners and managers are not considering the role of market orientations as a strategic tools for quality decision making in the SME sector. The author argues that SMEs in Ghana need to be more customer focus and monitor cutthroat trends.
Khalique, M. et al. (2011) through his research article Challenges faced by the Small and Medium enterprises (SMEs) in Malaysia: An Intellectual Capital Perspective published in International Journal of Current Research have found some major challenges which Malaysian SMEs are facing. These are as:-

a. not having knowledge concerning marketing practices, branding and customer trustworthiness

b. unable to get in touch with new local and worldwide enterprises.

They emphasized on want to advance research and development capability on product and market.

Cui, A. P. et al. (2011) in their research paper titled Internationalization Challenges for SMEs & global Marketing Managers: A Case Study published in International Journal of Business and Social Research have explained the importance of proper knowledge of market, customers and market trends for a SMEs to become international. SMEs should hire global managers who can understand different cultures and have strong networking skills. They know the product, market and competition and would understand the customers need and the way of delivering product offerings to convince needs of customer by finding economical transports to carry goods from one place to another to save time and money. The author has also pointed out that Indian SMEs have limited internal resources for acquiring international marketing knowledge and expertise.

In the research paper Marketing activities management in SMEs: An exploratory study published in Human Systems Management journal, the author Fu-Yan-Kai (2011) has identified some major marketing related troubles faced by SMEs in Taiwan as:-

- Lack of suitable marketing frameworks
- Limitations on SMEs’ marketing resources
- No planning for marketing strategies
- No increase in market knowledge
- Facing global competition
• Problems in Managing distribution, product decisions, pricing, promotional activities

The author has developed eight key aspects of Marketing Activities Management Systems Measurements as mentioned below:

1. Planning marketing activities
2. Increasing market knowledge
3. Managing distribution
4. Managing product
5. Managing promotional activities
6. Managing pricing
7. Acquiring marketing resources and
8. Marketing innovations

The author Scheers, L. V. (2011) in his research paper titled SMEs marketing skills challenges in South Africa published in African Journal of Business Management has pointed out some of the major marketing challenges which are related to issues like poor locality, ineffective marketing, lack of market knowledge, low product demand and increased in competition. The outcome of the market survey findings through questionnaire testing indicates that 100 per cent of the respondents experienced increased in competition, 88 per cent of the respondents complained of low demand of their products, 85 per cent of the respondents complained of ineffective marketing their products and 80 per cent of the respondents experienced lack of market knowledge.

The author concluded that SMEs manager should understand that profits may be generated through proper marketing. There is a correlation between marketing skills, challenges and business failure in South Africa. Hence, marketing in the SMEs is the responsibility of the business owners.

In the research article Factors affecting the adoption of formal Accounting Systems by SMEs published in Business & Economics Journal, the author Padachi, K. (2012) has found that SMEs are not paying any attention on advertising
and sales promotions due to which they are facing tough competition from larger companies. There is also a lack of long term marketing planning.

The authors Venkatesh, S., and Muthiah, K. (2012) in their research paper titled SMEs in India: Importance & Contribution published in Asian Journal of Management Research have extensively studied the Indian SMEs and they found that the major marketing problem is the marketing of new products in the market. The quality of the product is also low and hence marketing of such product is not easy.

Tripathi, S. N., and Siddiqui, M. H. (2012) in their research paper titled Marketing of SME Products: A 'Relationship' approach published in ASCI Journal of Management attempt to explain the need for shifting the focus from traditional marketing to relationship marketing. They claim that SMEs are practicing innovative marketing without fully knowing it. SMEs should know the gap between the consumer expectations and their perceptions. There should be a proper promotional and marketing support for solving marketing problems. In this current scenario, there is a need for adopting relationship marketing by SMEs. By implementing the above suggestions; SMEs in India can make their way to global markets.

Through his research paper Comparative Analysis of developments of SMEs in developed & developing countries presented at International Conference on Business & Management of Current Research which was held in Thailand and Pandya, V. M. (2012) has made clear that SMEs in developing and developed countries are facing marketing related problems. There is a stiff competition among them. Most of the SMEs don’t have any knowledge of foreign markets. They also have low Research and Development, no more innovations in product designing and same product with little improvements in quality. The cost of transportation is also high. He suggested SMEs cluster formation and promotion through government or personal endeavors to conquer marketing problems.

In the research journal Emerging Markets Journal” the research paper titled “Problems & Solutions proposals for SMEs in Turkey by Kaya, S., and Alpkan, L. (2012) explained that SMEs in Turkey have limited possibilities of the marketing researches and there is a lack of coordination between SMEs. There is a lack of
concrete marketing approach in the international sense and no organization is there to coordinate the demand markets of the SMEs.

The quality of product is not good and the sales development and promotional activities are very expensive. They are also getting failure in searching, looking and evaluating the target market. Their marketing strategies are also not successful. They are not able to employ qualified marketing staff due to economical reasons.

**Kumar, S. N. A. (2012)** in his **research paper** titled *A study of Small Scale Industries: Marketing Strategies* published in *TRANS Asian Journal of Marketing & Management Research* has made clear that effective marketing of SMEs product will make certain advanced income levels, employment and consumption to increase people’s standard of living. With the increase in demand for more products than the supply, there is a need to improve the current marketing methods because marketing is an important input for the success of SMEs which have been producing a wide variety of products. There is a need for shifting from traditional marketing to modern marketing for the overall growth of SMEs. In 1950s, what could be produced was sold irrespective of quality or price. But today, the whole scenario has changed; marketing is the major problem in front of SMEs. The marketing problems like low product quality, improper segmentations, lack of standardization, poor finishing, poor-after sales service, and excessive competition among SMEs poor bargaining power, less powerful distribution network than MNCs and lack of marketing knowledge.

According to **FICCI MSME Summit Report (2012)**, SMEs in India have lack of efficient distribution and marketing methods. They need to explore new marketing channels to boost sales and market share in markets. They should start conducting R&D before developing a new product in the market. There is also a need for starting a separate marketing section to assist marketing related activities so that they can cater to the needs of the customer effectively.

**Khoury, Z. E. (2013)** through his research report *Challenges facing the Lebanese SME sector* published in *SME Performance Review Report* claims that Lebanese
SMEs are facing many challenges which are hampering their growth. There is a low level of Research and Development investments, low research collaborations between Universities and Industry.

The cluster development state is also weak. SMEs in Lebanon have limited awareness of different support initiatives. Lebanese SMEs are unable to access markets and to be global is still challenging due to shortage of information on global standard, guidelines and requirements of customs exposure.

In the Seda Report (2013) prepared by Underhill Corporate Solution* where it has made clear that the major barriers in South African SMEs’ growth are the shortage of marketing and sales techniques in employees. They do not have any proper marketing plan to market the products and services. The report suggested that assistance on marketing and sales should be provided to them and Seda can play an important role in marketing their products and service along with a suitable business support program focusing marketing and sales. They are also facing problems in exporting their products globally and hence they need more and more assistance & support for doing marketing activities in their target export markets so that they can increase their customer base and compete with larger companies.

In the research paper titled Establishing the challenges affecting South African SME published in International Business & Economics Research Journal written by Cant, M. C. and Wiid, J. A. (2013) have found some marketing related issues which South African SMEs are facing. They selected about 81 SMEs which were operating in Tshwane region of South Africa as sample. On the basis of their findings, the majority of respondents agreed that the wrong pricing strategies being implemented (83.7 per cent) and low demand for their products (83.2 per cent) are the major issues followed by “Location of my business” (82.1 per cent) and knowledge of my target market (82.1 per cent). These respondents also agreed that competition (76.3 per cent) and brands (77.4 per cent) also influence SMEs. Only about half of the respondents stated knowledge of the industry (57.9 per cent) and variety of my product offerings (57.4 per cent) affected their business. They suggested that proper training programmes and workshops targeting SMEs should solve these problems. They
recommended including a new aspect for marketing of SMEs as Proudly South African initiatives and also the endorsement of supporting local SMEs.\(^7\)

In *Global Journal of Management & Business*, the authors Tambi, S. *et al.* (2013) in their paper titled *The challenges faced by SMEs in the Textile Industry: Special Reference to Hand Printing Enterprise in Jaipur*\(^8\) have found some major marketing challenges which SMEs in India are facing. Challenges like designing and market research, communication, strategy, competition and knowledge of market. The suggested that government should initiate some programs for education which will help the enterprises to communicate effectively. The SMEs are currently working in clusters to share the market knowledge and reduce the competition amongst them. Government should also use media for reducing the communication gap with the SMEs and should plan camps and workshops to inform SMEs about the different plans and policies launched by them.

As per the research paper titled *Role of SMEs in economic development of India* published in *Asia Pacific Journal of Marketing & Management Review* by Uma, P. (2013)\(^9\) SMEs in India are facing many marketing problems due to lack of quality consciousness, less attention to total quality programme, underutilization of production capacity, lack of corporate image and lack of quality & increase in competition. The author suggested Indian SMEs to adopt best strategies for facing new challenges. SMEs should create quality awareness by taking quick steps and by also adopting continuous improvement techniques. In her concluding section, she claims that SMEs in India have to accomplish the standards set by global players which function in India. Both final product producer and artisan should follow the quality standards.

The research article titled *Issues Faced by SMEs* written by *Management Canvas Team (2013)*\(^0\) states that Indian SMEs which are rapidly growing on the path of progress are the vital part of Indian economy. They are not acquiring more customer base due to ineffective marketing strategy. There is also a cut throat competition from MNCs. The product developed by them using limited knowledge leads to failure of maximum of those new products in the market as there is no any market survey before product development to know the customer requirements for catering their needs.
Hence in comparison to MNCs who are doing a proper market survey before developing a new products in the market, many SMEs in India are not able to deliver quality products to the market.

The research paper named **A way forward for Indian SMEs-Through organizational growth** published in **Global Journal of Commerce & Management Perspective** by Bakshi, G. J., and Penkar, D. J. (2014) who have revealed some limitations of Indian SMEs like lack of interest in R&D and lack of professionalism. A study on use of ICT by Indian SMEs shows that 74 per cent SMEs have their own websites and 79 per cent SMEs use ICT (Internet Communication Techniques) tools. The major benefits of use of ICT tools is the in the functional area of Sales and Marketing, Finance and Marketing Research as ICT tools help in cost reduction, time saving and increasing overall business productivity. Indian SMEs are not using ICT tools more because ERP awareness is only about 58 per cent and the main reasons for non use of ICT are due to lack of knowledge (68 per cent) and lack of funds (23 per cent).

**Takalani, R. (2014)** through his research paper caption **Overcoming SMEs Challenges Through Critical Success Factors: A case of SMEs in the Western Cape Province, S. Africa** published in **S. Africa, Economic And Business Review** has identified some of the major marketing challenges which South African SMEs are facing. These challenges are lack of management skills, lack of more access to markets and less steps for developing relationships with customers, lack of suitable technology and low production capacity, lack of quality products, lack of proper distribution network and lack of necessary knowledge. South African SMEs are also unsure of what products or services should be sold in the market and they don’t know how to attract and retain adequate customer base. The author has also suggested some actions to be taken by SMEs to surmount the challenges in attracting repeat customers and focus on product performance. Government should modify their policies. Government should establish a National Small Business Council (NSBC) which will serve as an information hub for all SMEs in the country. They should also start Skills Upgradation Programs through which SMEs get assistance in two major challenges - lack of management skills and developing relationships with customers. Government
should offer support services through expert service providers to SMEs so that they may grow. Through Business Development Support (BDS) program, government should help in boosting SMEs growth.

The author has also made it clear to SMEs owners and managers about the need for developing an understanding of local markets. Those owners and managers need to attend management development courses to enhance their knowledge and skills in terms of managing their business. SMEs owners should also strive to have access to skilled mentors and coaches as due to this their business ability will become more successful in the cutthroat marketing atmosphere.

As per the MCX-SX website www.mcx-sx.com, Indian SMEs are not able to make customer aware about its products. There is a little research before developing a new product. There is a huge shortage of trained manpower and those who are working, many of them don’t have good management skills. Hence this leads to lack of competitiveness among SMEs in India. There is need for creating awareness about SMEs products among customers and also important to develop right products to cater the need of different segments of the markets.

As per the article by Smriti Chand Industries on the website www.yourarticlelibrary.com titled 10 Major Problems faced by the small scale industries of India SMEs in India are unable to get first hand consumer and market related information about the competition, liking, taste, disliking and widespread fashion and due to these they are not able to upgrade their products as per the current market requirements. Their product’s quality is not good and the manufacturing cost is also high. Hence, the products are not able to compete with MNCs product.

Many government agencies are helping Indian SMEs in selling their products both in Indian and global markets. Authority of India, National Small Industries Corporation, State Trading Corporation and various other agencies are dedicated to safeguard the interest of SMEs in India.
The website www.smallbusiness.chron.com research article titled What are the problems of marketing product for a small scale business? in which the author Writing, A. Demand Media\(^6\) has identified three main problem of marketing for SMEs.

First one is lack of product certification, without which sales are limited. Second one is transportation problem. MNCs are buying an items in bulk to save money while SMEs are not as they have limited capital and hence have transportation problems and rise in production costs due to increase in transportation frequencies. Finally, the advertisement cost, which is not a major issue for MNCs in comparison to SMEs which will think again and again before placing any advertisement about their products.

Acharya, A. in his research article titled What are the problems faced by small scale industries in India? posted on website www.preservearticles.com\(^7\) described about the absence of organized marketing system among Indian SMEs due to which their products are not capable of competing with MNCs products and failed to get ample customer information like choice, taste and preferences of products type and are unable to stay in the market and became sick. There is a cut throat competition from the MNCs products as they are cheap and of better quality than SMEs products.

As per the article on the website www.blogs.silconindia.com/Indiamart titled Challenges faced by Indian SMEs\(^8\) SMEs in India are facing many challenges. For any nation, SMEs sector are power of economy and one of the most central part as they are like a backbone for Indian economy. As per this blog article, Indian SMEs are facing some challenges like lack of marketing assistance and they don’t have marketing expertise. Due to lack of marketing support and limited resources, SMEs are not able to perform effectively and government’s various schemes related information shortage.

As per the article on the website www.indiansmechamber.com/challenges to msme.php titled Challenges to MSME\(^9\), In spite of importance in Indian economical growth, SMEs sector have been facing various challenges such as ineffective marketing strategy and limited capital and knowledge. The chambers
stimulate SMEs to implement novel marketing thought to promote SME business. Various trades promotional activities can help in educating SMEs in knowing about the customer needs, brand building and many more.

Zuluaga, P. PmZ Marketing in his research article titled Marketing Challenges of SMEs posted on website www.pmzmarketing.com.au has mentioned about the three major marketing challenges which SMEs are facing globally. First is to find new clients and customers. SMEs need to acquire new clients and customers for their new products and services. To survive in this competitive market SMEs should acquire new clients and customers and hence to find them is the first major challenge. Second challenge is to engage marketing message that generates results. For getting immediate result, SMEs should use direct response marketing offers. Many SMEs are unable to afford the long term and sustained expenses in branding and image building advertisements which only MNCs can afford. SMEs can build their brands and market image using direct response marketing programs through powerful communication methods while preparing their marketing message applying AIDA techniques and finally by implementing business oriented marketing systems which will attract profits.

Dhore, K. B. (2015) in his research paper titled Opportunities and challenges for Small Scale Industries of India in a global economy mentioned that SMEs or small scale units in India are facing various marketing challenges like inability to get actual market information such as taste, competition, liking, disliking of the consumers and widespread fashion. SMEs in India are producing substandard quality products at higher costs as they are using outdated technologies and machineries and have shortage of fund. Due to this they are unable to compete with large enterprises as they are not able to market the products in the market. Major marketing problems faced by them are as below:

- Competition in pricing
- Stiff competition with large enterprises
- Demand Slackness
- Managerial meagerness
e. Competition with other products
f. Weaker bargaining power and
g. Insufficient use of information and communication technology.

All these problems lead to sickness of SMEs and hence are not finding themselves fit in global arena. The suggestions suggested by the researcher are promotion of SME brands, mass consumption goods marketing using common brand name; focus on cluster development and encouragement of innovation.

Laghu Udyog Bharti (2015) in their findings explained that the SMEs are usually started by a single or a group of people mainly to earn their business, flexibility in setting the product price with response to changes in the market, incur lower expenses thus reducing the cost of production up to a definite volume, competent of meeting the niche market necessities and also export their products in small quantity, generate 80% of the jobs, establish to be labour concentrated in contrast to the larger counterparts, exploit the manpower locally, located in the isolated place and come out as clusters for related type of units. The isolated location of SMEs has attracted from national and regional policy.

2.2 Summary of General Findings of all the Earlier Entries:

Following are the general findings after reviewing different secondary data from various sources. The details of general findings of all the earlier entries which have been mentioned as possible problems and possible solutions are as below:-

<table>
<thead>
<tr>
<th>Earlier Entries Details</th>
<th>Summary of General Findings of all the earlier entries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Problems Identified</td>
</tr>
<tr>
<td></td>
<td>Solutions Suggested</td>
</tr>
<tr>
<td>Huang, X., and Brown, A. (1999)</td>
<td>• Lack of appropriate market knowledge and ways of doing promotions</td>
</tr>
<tr>
<td>Author(s)</td>
<td>Key Points</td>
</tr>
<tr>
<td>-----------</td>
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</tr>
</tbody>
</table>
| Stokes, D. (2000) | - Large firm marketing activity is formal, planed and logical whereas in small firm, marketing is used for instant needs and only modest attention is paid to plans, strategies and analysis.  
- Suggested to know customer requirements.  
- Segmentation, targeting and positioning (STP) processes must be used. |
- Inability to formulate strategy  
- SMEs must implement various marketing approaches like Entrepreneurial and formulated marketing to exploit the market. |
| Levinson, J. C., and Grodin, S. (1994) | - Many of the companies lack the creativity and fascination of the guerrilla marketers.  
- Brand and product managers of company need to act like entrepreneur and start living with their customers and visualizing new ways to add value to their customer’s lives.  
- SMEs must formulate proper marketing approach. |
| Kathandaraman, P. and Wilson, D. T. (2001) | - Intensive competition due to factors like globalization, use of internet and communication technology, diverse electronic interfaces, increased interdependence and markets accessibility  
- SMEs should adopt changes and use new technologies to keep itself update. |
- SMEs must use both traditional as well as modern approach of marketing. |
- SMEs have to focus more on brand building. |
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Issues</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firat, F. A., and Dholakia, N. (2006)</td>
<td>• Customer awareness is very less about SME’s products.</td>
<td>• Inductional marketing approach must be implemented.</td>
</tr>
</tbody>
</table>
| Priyanath, H. M. S. (2006) | • Lack of better planning  
• There is no change of quality and nature of products  
• No better quality controlling procedure, planned production process & new technologies  
• No better advertising systems  
• Srilankan SMEs are unable to judge obstacles and problems.  
• Unable to take advantages. | • Better planning must be formulated  
• Implementation of Quality control procedure. |
| Das, et al (2007) | • SMEs not have export competitiveness due to product reservation, rigid policies at the entry and exit phases, lack of adequate finance at reasonable interest rates, inflexible labour markets and infrastructure problems like power tariff and lack of export infrastructure. | • SMEs have to be export competitive. |
| Ayyagari, M. B. T. et al. (2007)  
Chris, H. (2002) | • Lack of marketing strategies which lead to functional difficulties. | • Proper marketing strategies must be formulated |
| Kumar, S. A. (2008) | • Lack of product marketing | • SMEs should maintain quality and have to symbolize it properly in front of its target customers |
| Lahiri, K. (2007) | • Poor business view point  
• Poor quality of products of service  
• Lack of planning  
• Inadequate training and skills  
• Competitions from MNCs  
• Lack of publicity pricing | • SMEs should define the goals and main objectives of their business venture before the beginning of business.  
• SMEs should plan the market with attention to a
| **Syed, M. Q., and Nayem, A. M. (2008)** | Lack of government support to assist SMEs to compete with larger companies in global arena. | There is a need for government assistance |
| **Sarah, S. bt. Omar et al. (2009)** | Unavailability of qualified business staff to operate the business | SMEs should adopt strategies to enhance knowledge, skills and expertise |
| **Stefanovic, I. et al. (2009)** | Lack of market places information  
Lack of qualified workforce  
Incompatibility with the standards | There should be access to information related to market places |
| **Preda, O., and Furdui, I. (2009)** | SMEs need to upgrade their competitiveness and their knowledge about online marketing and its complexity of the market.  
Limited online promotion by SMEs in comparison to MNCs | By becoming more open to the modern marketing tools, SMEs will increase the no. of online customers.  
Modern marketing tools help in saving the money by having a cost efficient marketing campaigns. |
Non-availability of raw materials  
Product marketing problems | The concept of -market place has been innovative one for SMEs to overcome the marketing related problems as it provides an easy platform for SMEs to contact large buyers and have their presence globally without even owing a website. |
| **Dwyer, M. O. et al (2009)** | Lack of innovative marketing techniques | Use of different marketing tools like e-mail marketing must be used. |
| Stefanovic, I. et al. (2009) | • Unfeasibility to access large and profitable markets  
• Tough barriers for entering the markets, pertaining to investment in marketing research, promotional activities,  
• Lack of development of distribution network and limited production capacities. | • Acquaintance and know-how in such field facilitates several advantages in structure of costs, throughout time it leads to additional funds growth which can be reinvested in diverse ways |
| Rai, D. (2009) | • There is a need to develop the global competitiveness of the MSMEs. | • By simplifying systems and procedures, easy access to capital and taking the MSMEs in the global value chain. |
| Report of Prime Minister’s Task Force. (2010) | • Lack of availability of adequate and timely credit, high cost of credit,  
• Lack of collateral requirements, limited access to equity capital, problems in supply to government departments and agencies, procurement of raw materials at a competitive price,  
• storage space issue, designing, packaging and product display,  
• lack of access to global markets  
• No branding | • There is a need to fund the unfunded.  
• SMEs should try to gain knowledge about global markets. |
<p>| Reijonen, H. (2010) | • Marketing varies according to the size of the firms, contrast to larger firm small firm marketing has been characterized as unsystematic, loose informal, unstructured, unplanned, imprudent, built on as well as be conservative to industry norms | • There is a need to change the way of doing marketing. |
| Jha, S. N., and | • Cut throat competition | • Proper marketing |</p>
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Contribution</th>
<th>Recommendation</th>
</tr>
</thead>
</table>
- Non-branded products  
- Adoption of cost oriented prices  
- SMEs don't go in deep to identify the problems related to marketing  
- Improper marketing strategy and planning | SMEs should be advertised more.                                                  |
- Same strategies for different products, different markets and different customers  
- Lack of marketing training. | Proper training should be provided to marketing personnel.                      |
- Limited R&D due to limited capital  
- Stiff competition from MNCs  
- Malaysian SMEs don’t focus on branding to compete globally | SMEs should use energy saving device to reduce costs.  
University -SME Internship Program for creating a link and understanding between University and SMEs.  
SMIDEC offers SME Expert Advisory Panel to assist SMEs  
SMIDEC launches Industrial Linkage Program with the aim to develop domestic SMEs into competitive manufacturers and suppliers. |
| Kalpande, S.D. et al. (2010) | - Low quality of the product  
- Rise in competition in the market  
- Inadequate attention to research and development | Education and training to manager/owners regarding the benefits and need of continuous improvement and other aspects like quality and its need. |
<p>| Mahmoud, M. A. (2011)     | - SMEs owners and managers may not consider the role of market orientation as strategic tools for quality decisions making in the market. | SMEs in Ghana should need to be more customer focus and monitor competitive trends. |</p>
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Ghana SMEs sectors.</th>
<th>Malaysia SMEs need to improve the research and development ability on market and product to solve marketing related problems.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khalique, M. et al. (2011)</td>
<td>• Lack of knowledge regarding marketing techniques, branding, customer loyalty and also lack of good contacts with other local and international enterprises.</td>
<td>• SMEs in Malaysia need to improve the research and development ability on market and product to solve marketing related problems.</td>
</tr>
<tr>
<td>Cui, A. P. et al. (2011)</td>
<td>• SMEs have limited internal resources for acquiring international marketing knowledge and expertise. • Lack of proper market knowledge, customers and trends.</td>
<td>• SMEs should hire global manager who have accurate understandings of the customer needs and how the product offerings satisfy the customer needs • SMEs global manager should know the product, know the market and know the competition.</td>
</tr>
<tr>
<td>Fu-Yan-Kai (2011)</td>
<td>• Lack of suitable marketing frameworks among SMEs in Taiwan • Limitations on SMEs marketing resources • Global competition • Complex marketing activity operations.</td>
<td>• SMEs in Taiwan should plan their marketing strategies • SMEs should increase their market knowledge • SMEs should manage distribution and promotional activities.</td>
</tr>
<tr>
<td>Scheers, L. V. (2011)</td>
<td>• Poor locality • Ineffective marketing • Lack of market knowledge • Low product demand • Increase in competition</td>
<td>• SMES manager should understand that they should grow profits through proper marketing</td>
</tr>
<tr>
<td>Padachi, K. (2012)</td>
<td>• Lack of proper advertisements and sales promotions • Lack of long term planning • Competition from other industries</td>
<td>• More Advertisements through various channels. • SMEs should do long term planning.</td>
</tr>
<tr>
<td>Venkatesh, S., and Muthiah, K. (2012)</td>
<td>• Problems of product marketing • Low quality of products</td>
<td>• Product quality should be better.</td>
</tr>
<tr>
<td>Author(s)</td>
<td>Marketing Issues</td>
<td>Solutions</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Tripathi, S. N., and Siddiqui, M. H. (2012)    | • Absence of current marketing practices  
• SMEs practice innovative marketing without fully acknowledging  
• Characterized marketing in SMEs as having a sales orientation  
• Lack of relationship marketing | • Focus need to shift from traditional marketing to relationship marketing  
• Proper steps towards adopting and managing an innovative marketing  
• Adequate promotional and marketing support should be provided. |
• Lack of knowledge of foreign markets  
• Lack of R&D, innovations and quality | • Promoting cluster formation of SMEs with government/private efforts to overcome marketing problems.  
• Policy makers of developing and developed countries focus on designing strategies which can help in SMEs development. |
| Kaya, S., and Alpkaran, L. (2012)              | • Limited possibilities for marketing researches  
• Lack of concrete marketing approach  
• In coordination of the SMEs  
• There is no organization to coordinate the demand markets for the SMEs  
• Lack of quality products  
• Failure of marketing strategies  
• Sales development and promotional activities are very expensive.  
• Failure in searching, looking and evaluating the target market | • SMEs should do market research  
• SMEs should focus on searching markets |
| Kumar, S. N. A. (2012)                        | • Poor product quality  
• Improper segmentation  
• Lack of distribution channels  
• Increase in competition from within the SMEs sector  
• Inability of SMEs to exploit the export markets | • SMEs should produce quality products.  
• SMEs should expand their distribution channels. |
<table>
<thead>
<tr>
<th>Source</th>
<th>Lack of Efficient Distribution and Marketing Methods</th>
<th>Need for Starting a Separate Marketing Section to Assist Marketing Related Activities of SMEs</th>
<th>SMEs Should Start Conducting R&amp;D Before Developing a New Product in the Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khoury, Z. E. (2013)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cant, M. C., and Wiid, J. A. (2013)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- Lack of marketing skills
- Needs proper marketing plan
- Assistance in marketing and sales
- Business support programs with marketing and sales focus to help the SMEs in selling their products to the target customers.
- SMEs should do marketing awareness campaigns for assisting in marketing activities.
- SMEs are struggling to build a reputable brand name that consumers acknowledge and trust.
- SMEs don't have sufficient knowledge of their target audience in order to market their products.
- Limited resources for investing in marketing strategies
- Stiff competition
- Proper training programmes and workshops for SMEs.
- Associations and representative bodies should be formed focusing SMEs problems.
- SMEs in South Africa have started "Proudly South African "initiatives to motivate them.
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Issues and Recommendations</th>
</tr>
</thead>
</table>
| Tambi, S. et al. (2013) | • Lack of right product designing and market research.  
• Lack of marketing strategies  
• Competition  
• Lack of market knowledge  
• Government should initiate some programs for educating SMEs which will help them in communicating effectively to the target customers. |
| Uma, P. (2013) | • Lack of quality consciousness among SMEs in India  
• Less attention to total quality programme  
• Under utilization of production capacity  
• Lack of corporate image  
• Lack of product quality  
• Increase in competition  
• To face new challenges by adopting best strategies  
• SMEs should take immediate step to create quality awareness and adoption of continuous improvement techniques  
• SMEs should fulfill the standards set by the global giants. |
| Management Canvas Team. (2013) | • Ineffective marketing strategy  
• Competition from big players  
• Limited knowledge lead to new product failure. |
| Bakshi, G. J., and Penkar, D. J. (2014) | • Lack of interest in R&amp;D  
• Lack of professionalism.  
• Non-use of ICT among SMEs  
• Lack of product and market knowledge  
• Indian SMEs can solve their marketing related problems by adopting ICT which may also help in cost reduction, time savings and increase in overall business productivity. |
| Takalani, R. (2014) | • Lack of management skills  
• Lack of more access to markets and developing relationships with customers  
• Lack of appropriate technology and low production capacity.  
• Lack of quality products  
• Lack of networking channels and necessary knowledge.  
• Unsurely of what products or services should be sold  
• SMEs should focus more on attracting repeat customers  
• SMEs should focus on product performance  
• Govt. should establish a National Small Business Council which will serve as an information hub for all SMEs in the country.  
• Establishment of a skills Programme through which SMEs are able to obtain assistance with two of the challenges that
<table>
<thead>
<tr>
<th>Source</th>
<th>Issues</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCX-SX Website</td>
<td>• There is a little research before developing a new product.</td>
<td>• There is a need for creating awareness about SMEs products among customers and also important to develop right products to cater the need of different segments of the market.</td>
</tr>
<tr>
<td></td>
<td>• Huge shortage of trained manpower</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Lack of competitiveness among SMEs in India</td>
<td></td>
</tr>
<tr>
<td>Smriti Chand Industries Website</td>
<td>• Lack of first hand information about the market.</td>
<td>• There is a need for market research to get first hand information.</td>
</tr>
<tr>
<td></td>
<td>• Indian SMEs are not able to upgrade their products as per the current market requirements</td>
<td>• Product modifications should be done by SMEs in India.</td>
</tr>
<tr>
<td><a href="http://www.smallbusinesschron.com">www.smallbusinesschron.com</a></td>
<td>• Lack of SMEs product certification.</td>
<td>• SMEs should focus on getting product certification.</td>
</tr>
<tr>
<td>Website</td>
<td>• Higher Advertising costs</td>
<td></td>
</tr>
<tr>
<td>Acharya, A.</td>
<td>• Unable to compete with MNCs</td>
<td>• SMEs should build customer relationship to know their customer in a better way.</td>
</tr>
<tr>
<td><a href="http://www.preservearticles.com">www.preservearticles.com</a> Website</td>
<td>• Unable to get adequate information about customer's choice, taste and preference of the type of the product</td>
<td></td>
</tr>
<tr>
<td><a href="http://www.blog.silconindia.com">www.blog.silconindia.com</a> Website</td>
<td>• SMEs are not more present online.</td>
<td>• SMEs should use online platforms.</td>
</tr>
<tr>
<td></td>
<td>• Lack of marketing assistance</td>
<td>• SMEs should design proper marketing strategy.</td>
</tr>
<tr>
<td></td>
<td>• Lack of marketing support and limited resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Lack of marketing expertise</td>
<td></td>
</tr>
<tr>
<td><a href="http://www.indiansmechanber.com">www.indiansmechanber.com</a> Website</td>
<td>• Ineffective marketing strategy</td>
<td>• SMEs should design proper marketing strategy.</td>
</tr>
<tr>
<td></td>
<td>• Limited capital and market knowledge</td>
<td></td>
</tr>
</tbody>
</table>
2.3 Conclusions of the Summary of General Findings of all Earlier Entries:

After reviewing the summary of general findings of all the earlier entries, the researcher came to know that SMEs in India are facing many problems especially related to marketing due to which they are still struggling for growth. Being the
second largest SME nation of the world (48 million units) after China (50 million units), Indian SMEs are driving force for the nation’s economy and have major contribution in the GDP of the country. But due to marketing related problems they are becoming sick every year. The problems identified are such as products are not too reliable as maximum products are non-branded products. Indian SMEs have poor marketing strategies and planning.

They are practising traditional marketing techniques rather than relationship marketing. No more research work has been done on this. As a solution to the identified problems, the suggestions are like SMEs should adopt strategies to enhance knowledge, skills and expertise. By becoming more open to the modern marketing tools, SMEs will have to increase the no. of online customers. The concept of market place has been innovative one for SMEs to overcome the marketing related problems as it provides an easy platform for SMEs to contact large buyers and have their presence globally without even owing a website. Modern marketing tools help in saving the money by having a cost efficient marketing campaigns. SMEs should focus more on attracting repeat customers. SMEs should focus on product performance.

### 2.4 Research Gaps of the Research Work:

The researcher has identified some of the main research gaps after reviewing various literature from different sources like journals, papers, books, reports and websites. The identified research gaps details are as below:-

1. Indian SMEs are not doing any R&D and market research before designing and launching a new product while MNCs are doing both. Very little research work has been done on this.
2. Indian SMEs are not taking customer satisfaction feedback on regular basis.
3. There are no more promotional platforms for promoting Indian SMEs products in domestic and global markets. Very few have website. They participate in trade fairs occasionally. No research work has been done on this.
4. There is no brand building activities by Indian SMEs and hence in spite of being in the market for longer time, there is no more brand awareness among
the customers and hence have limited customer base, market share, sales and profits. Little research work has been done on this.

5. They are not conducting more e-marketing in comparison to MNCs.

6. Marketing and brand management departments are rarely found in Indian SMEs and they also have very little marketing budgets. Very little research work has been done on this.

Hence, with the help of this research work, the researcher has made an attempt to fill the identified gaps. Today, after China, India is the second largest SME nation in the world with 4.88 crore SMEs units and is in the journey to be the number one SME nation of the world. The researcher has contributed with new knowledge which will help the Indian SMEs in long run.

2.5 Justification of the Study:

Indian SMEs sectors are the backbone of the nation’s economy. India which is home to about 4.88 crore SMEs units is all set to become the largest SME nation globally, a study by market research firm Zinnov⁶⁴ has said. According to the report, the SME sector in India has given employment to around 8.11 crore people. The sector is growing at an exceptional rate and has the potential to be one of the primary drivers of the Indian economy. Today 1.5 million SMEs export their products or services outside India which is a sign of the sector’s rapid evolution. The sector is growing at a compound annual growth rate of 5.29 per cent. Indian SME space today is largely dominated by micro scale businesses, contributing 95 per cent of the SME landscape, followed by small scale businesses contributing 4.8 per cent and the rest 0.2 per cent by medium scale businesses.⁶⁵ Around 4.88 crore SMEs which are 55 per cent located in urban areas whilst remaining 45 per cent constitutes to rural regions. Regardless of its admirable contribution to nation’s economy, SME sector are not able to get required support from related government departments. SMEs face a number of problems in which the major is related to marketing and due to which they are not able to market their products to domestic as well as global markets. The top states with percentage of SMEs units are Tamil Nadu (14.9 per cent) and Gujarat (14.7 per cent). Maharashtra ranked at 7th spot with 5.5 per cent of entire nation’s SMEs.
Pune which is hub of SMEs with different MIDCs have more than 8000 SMEs units. Many are becoming sick year by year due to different problems among which marketing is the major one. SMEs in Pune are signing out every year from the competitive business arena which is full of global players. This is not only the story of Pune SMEs but also of many of the Indian SMEs in different states. The sales is decreasing everyday as multinationals are offering better products in affordable price through their innovative marketing activities.

These SMEs have become product centric and are also not building relationship with the customers and hence have become the manufacturing cum outsourcing hub for multinationals. There are many problems due to which they are not able to compete with this stiff competition as are unable to increase production capacity due to scarcity of skilled manpower, problems of finance, electricity and maximum of them are still using the older machines, outdated technologies and hence the overall costing is increasing and they are forced to sell the product on higher prices.

2.6 Summary of the Chapter:

Marketing is the bread and butter for any organization as it generates revenue by creating, communicating and delivering product to the target customers. Therefore it is extremely essential to overcome Pune’s SMEs various marketing related problems. The “Make in India” will be only possible when SMEs should take initiatives to solve their marketing related problems and this will only happen when they will shift themselves from traditional approach to modern marketing approach. SMEs of Pune are vibrant, budding and important segment of India and being regarded as engines of growth and employment, they have to be the market leader in their respective segments by overcoming the marketing problems using innovative tools and techniques. The Indian population is full of demand with great purchasing power and SMEs of India should understand this and plan their marketing strategies accordingly.
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