



Creating Value  
for SME's  
Concepts &  
Strategies in  
Indian context

## Section – VII

# Marketing Knowledge: Branding, Retailing, E-Marketing, Export demand of SME Products & Target Countries



### Executive Summary

- **Export Demand analysis by M/s A.C. Nielsen indicates:**
  - Possibility of Export enhancement in markets US, EU & Japan
  - The potential items of SSIs enhancements fall in three broad categories
- **Export Promotion Measures**
- **Export Statistics**
  - Export Destination of SME (Manufacturing) Products (Country Wise)
  - List of Towns of Export Excellence
  - Statement of Export Performance/ Share of Small Scale Industries in Country's Total Exports during 2004-2005
- **Marketing Knowledge: Branding, Retailing and Marketing**
  - Importance of Branding in Marketing
  - The new methods of Marketing
  - Online Retailing

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# Marketing Knowledge: Branding, Retailing and Marketing

Mr. Anurag Batra, Exchange4Media

We can change the old saying of small is beautiful to small and medium is beautiful. SME is a magic word these days. I met up with a couple of friends of mine, who had started a small business in Bangalore a few years ago. They have just sold it off to a US based firm for USD 65 million. Investment bankers, venture capitalists, consultants all want to work with small and medium sized companies to grow them into larger, more profitable business entities.

Marketing knowledge and business knowledge according to me, is synonymous with each other. The objective of both activities remains the same; Maximisation of shareholders profits. SMEs, being smaller in size, are able to respond faster to the changing market dynamics. They reflect agility, lean and mean, nimble footedness and innovativeness in their working methodology.

At the same time the scale of doing business in India is changing. It's getting bigger and bigger, at an exponential rate. The scale is becoming global.

While corporations and business entities wanted to retain the benefits of being small and medium sized they also want to avail of the benefits that size brings. How do you get the best of both worlds? That's where marketing knowledge of the business team and entrepreneur can make a quantum of positive contribution. As Lee Iacocca said "In the end, all business operations can be reduced to three words: people, product and profits. Unless you've got a good team, you can't do much with the other two".

If we look at the balance sheets of the Fortune 500 companies or Business Week's Top 100 companies, the biggest asset on their balance sheet is their brand value. Almost 33% of the corporate value is the brand value. Therefore, it is essential to create a brand, which stands out amongst all the other products, and is recognised in a crowd. And in the words of the famous management guru Al Ries, "A branding program should be designed to differentiate your cow from all the other cattle on the range. Even if all the cattle on the range look pretty much alike. " So how do entrepreneurs create brands or leverage their brands?

Google and Internet is God sent opportunity. Today Internet and digital platforms can help acquire new customers effectively and with less wastage. Contextual Marketing on the Internet or mobile is perhaps the best way for a SME to grow its business. We know contextual marketing as search engine based marketing. Google adwords are becoming letters of life and business.

SME's can use the following ten commandments of growth to create online retailing ventures. With the cost of people and real estate escalating to unrealistic proportions small and medium entrepreneurs are better off creating e-commerce and e-tailing extension to grow their business.

1. Leverage both paid search and organic search. Deploy monies in online, and then in mass media.
2. Social media marketing is more effective. Use blogs and social media like friendster.com
3. Use Pod casting
4. Create a corporate website. Your brand and company's reputation depends on its look and feel.

5. Mobile is an important tool and guides in searching for information while on the move. If you are a single store F&B outlet make sure you are on all mobile yellow pages.
6. Track customers who come through digital platform and build their community.
7. Internal Marketing to employees is an essential business imperative.
8. Use Buzz marketing.
9. Evangelise to communities.
10. Integrate your entire marketing efforts top down at a single point.

Integration is simultaneously the most overused and least practiced discipline in online marketing. The problem is that integration can mean a lot of different things to a lot of different people. SME owners have to make sure integration of their business and marketing efforts through the web is taken up with missionary zeal.

Search engine marketing, traditional online advertising initiatives, social media considerations & offline advertising efforts move at completely different speeds. These efforts are often represented by multiple entities or agencies, further complicating efforts to produce a consistent experience for the consuming public

Site designers view the web-to-brand site experience as the end-all-be-all in creating a rich content engagement. Designers create amazing interactive product and service engagement. However, search engine optimizers view the same connection in terms of crawl ability and link equity for search rankings.

The difficult aspect of managing these disparate viewpoints can often be settled with proper communication between the two entities, if it comes early. While design and implementation tools have begun to move in the direction of becoming more Search Engine Optimization (SEO) friendly, a delicate understanding of each entity's goals is essential.

The simplest answer to the SEO integration question lies in mutual compromise and effective communication, both of which combined can go a long way to satisfying the ultimate goal of an integrated approach.

Ultimately, to succeed in business, it is necessary to make others see things as you see them.

SMEs are lucky to be in an era where they have SEO and Internet to give them a Viagra like boost in business.

## References

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# Marketing Knowledge: Export Demand of SME Products & Target Countries

SPHC Knowledge Team

The total Exports of the country is Rs. 361880 Crores, out of which the percentage share of SSI sector is about 35%. The growth rate of this sector has been a phenomenal figure of 27.42%. To further enhance the Export potential of SME products, new products and markets needs to be identified and suitable interventions need to be applied.

M/s A.C. Nielsen on behalf of Ministry of SSI has conducted an evaluation study. As per the findings and recommendations of the said study the major export markets identified having potential to enhance SSIs exports are US, EU and Japan.

The potential items of SSIs have been categorised into three broad categories. They are:

➤ **Potential items of SSI amongst the top 100 imports of the major market not figuring in top 100 exports of India to the major markets.**

The product groups that hold potential for SSI export are agriculture, marine and allied products along with engineering/electrical/electronic product group. Japan is a potential market for exporting agriculture, marine and allied products whereas the European union and the US can be tapped for enhancing SSI exports of engineering/electrical and electronic items.

➤ **Potential items of SSI amongst the top 100 exports of India to the major markets not figuring in top 100 imports of the major markets:**

The major thrust areas for SSI exports are agriculture and allied, chemicals, plastic items, leather and textile product groups. The US & EU have been identified as the potential markets for textile whereas export of chemicals product groups holds a potential for Japan.

➤ **Potential items of SSI amongst the top 100 imports of the major markets and also figuring in top export of India to the major markets.**

The potential for SSI is in various product groups like agriculture, marine and allied, chemicals and allied, leather items, textiles and other items. The EU has been identified as the potential market for textiles including sports equipments whereas export of leather items holds potential for the US and the EU.

Another interesting feature to note is the consistent increase in the %age share of SSI Exports in the field of electronics and computer software. The %age share has more than doubled from 5.40% in the year 1999-2000 to 13.12% in 2001-2002. It is now at the 18.93% (2004-05).

Many steps are undertaken to increase the export potential of SSI sector, this Ministry has been participating in product specific as well as general exhibitions in India and abroad every year, and has been organizing export marketing training programmes and also on packaging for exports. Sector Specific Market Studies are conducted for selected SSI categories. Individual assistance for participation in overseas fairs, study tours and also production of publicity materials for overseas publicity are provided to the SSI entrepreneurs.

The enclosed Annexures depict the Export performance of SSI in year 2004-05 and the major Export destinations for 16 major Product groups.

## Annexure I

### EXPORT DESTINATION OF SME (MANUFACTURING) PRODUCTS (COUNTRY WISE)

S. NO.	PRODUCT GROUP	MAIN DESTINATION (COUNTRIES)
1.	Readymade Garments	USA, Europe, Canada, West Asia, North Africa.
2.	Plastic items	UAE, China, Italy, Saudi Arabia, Oman.
3.	Marine products	Japan, USA, European Union, China, South East Asia.
4.	Sports goods	UK, USA, Australia, Germany, South Africa.
5.	Spices	East Asia, European Union, North African Zone & American Zone
6.	Cashew items	USA, Netherlands, UK, Japan & UAE
7.	Shellac items	Indonesia, Germany, Arab Republic Emirates, USA & Italy.
8.	Synthetic items (Madeups)	UAE, UK, Turkey, USA & Italy
9.	Leather & Leather items	Germany, UK, Italy, USA & France
10.	Engineering & Electrical Items	USA, Europe, Japan, Hong Kong, UAE, Germany, Belgium & France
11.	Basic Chemical & Cosmetic	USA, Japan, Saudi Arab, China, Singapore & Netherlands.
12.	Chemical & Allied products.	Japan, Belgium, Italy, France, USA, Bangla Desh & UK.
13.	Wool & Woollen (Madeups), Knitted Garments etc	Europe, Japan, Bangla Desh
14.	Processed Food items	USA, Europe, Japan
15.	Electronic items & Computer Software	USA, Hong Kong, UAE, UK, Germany & Japan
16.	Tobacco & Tobacco items	East Europe

*Source: Office of the Development Commissioner, SSI, EP&M division*

## Annexure II

### LIST OF TOWNS OF EXPORT EXCELLENCE

S. No	Town of Export Excellence	State	Product Category
1.	Tirupur	Tamil Nadu	Hosiery
2.	Ludhiana	Punjab	Woollen Knitwear
3.	Panipat	Haryana	Woollen Blanket
4.	Kanoor	Kerala	Handlooms
5.	Karur	Tamil Nadu	Handlooms
6.	Madurai	Tamil Nadu	Handlooms
7.	AEKK (Aroor, Ezhupunna Kodanthuruthu & Kuthiathodu)	Kerala	Seafood
8.	Jodhpur	Rajasthan	Handicraft
9.	Kekhra	Uttar Pradesh	Handlooms
10.	Dewas	Madhya Pradesh	Pharmaceuticals

## Annexure III

### STATEMENT OF EXPORT PERFORMANCE/ SHARE OF SMALL SCALE INDUSTRIES IN COUNTRY'S TOTAL EXPORTS DURING 2004-2005.

Rs. In Crores				
Sl. No	Product Group	Total Exports 2004 -2005	Share of SSI Sector for 2004-05	% Share of SSI
1.	Engineering Goods	71411.00	23561.00	32.99
2.	Basic Chem. Pharmaceutical & Cosmetic Products	31121.00	13851.96	44.51
3.	Chemical & Allied Products	33525.61	14248.38	42.50
4.	Plastic Products	8716.89	3632.33	41.67
5.	Finished Leather & Leather Products	10691.20	7437.87	69.57
6.	Marine Products	6646.69	3411.86	51.33
7.	Processed Foods	16254.89	11378.42	70.00
8.	Wool & Woollen products	1855.95	1763.15	95.00
9.	Sports Goods	395.10	395.10	100.00
10.	Readymade Garments	24719.06	22247.15	90.00
11.	Synthetic & Rayon Textile	9681.19	1839.43	19.00
12.	Processed Tobacco, Bidi & Snuff	1362.18	986.65	72.43
13.	Electronics & computers	85300.00	16147.29	18.93
14.	Cashew	2717.15	2717.15	100.00
15.	Lac	165.88	165.88	100.00
16.	Spices	2200.00	632.94	28.77
	<b>Total of 16 product groups</b>	----	<b>124416.56</b>	-----

- |    |   |                      |
|----|---|----------------------|
| 1. | Total Exports of the country @                        | Rs. 361879.16 Crores |
| 2. | Share of SSI Sector                                   | Rs. 124416.56 Crores |
| 3. | % Share of SSI Sector out of total exports of country | 34.38 %              |
| 4. | Share of SSI Sector for the Year 2003-04              | Rs. 97643.57 Crores  |
| 5. | Growth Rate   | 27.42 %              |

Source: Ministry of Commerce & Industry