



Role of Marketing Promotion Schemes for Promoting MSMEs: A Study

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) hold a crucial role in economic development by driving employment, diversifying economies, and supporting regional growth. Their ability to create jobs, innovate, and establish businesses in less-developed regions contributes significantly to economic stability and progress. The role of marketing in the development of MSMEs is pivotal and Marketing empowers MSMEs to compete more effectively in the market by differentiating their products or services, creating a unique value proposition, and adapting to changing customer needs. This research study aims to investigate the effectiveness of marketing promotion schemes in promoting Micro, Small, and Medium Enterprises (MSMEs) with a focus on trade fair exhibitions. The research would utilize a mixed-method approach, incorporating both quantitative and qualitative research methods, A sample of 48 MSMEs will be selected from Mysore District using a purposive sampling method. data has been collected through structured interviews and surveys conducted with the selected MSMEs, Secondary collected from sources such as the Udyam registration portal, MSME annual reports, and relevant literature on MSME marketing promotion schemes. In this study using both descriptive and inferential tools in Descriptive statistical tools, such as percentages and averages, has been used to summarize and present the primary data. And Inferential statistical tools, including Analysis of Variance (ANOVA), would employed to determine the significance of differences in awareness and participation in marketing promotion schemes among MSMEs at trade fair exhibition

KEY WORDS: Marketing Promotion, MSMEs, Schemes, Trade fair.

INTRODUCTION

However, during the past five decades, the sector comprising micro, small, and medium-sized enterprises (MSMEs) has experienced substantial growth, becoming a highly active and dynamic component of the Indian economy. MSMEs not only play a pivotal role in generating a significant number of employment opportunities at a relatively lower cost compared to large industries, but they also contribute to the industrialization of underdeveloped and rural areas, thereby mitigating regional disparities and fostering a more equitable distribution of wealth and income across the nation. MSMEs often serve as ancillary units to larger enterprises

and make substantial contributions to the socio-economic progress of the country. The rapidly evolving global economic landscape has presented both prospects and challenges for India's MSMEs. While this sector has ample opportunities to enhance productivity and explore new markets both domestically and internationally, it also faces the responsibility of improving its competencies to effectively compete, as new products are introduced and made available at a rapid pace. Unlike large industries, MSMEs lack access to the strategic tools and resources for business and market development. One area where MSMEs particularly struggle in the current competitive era is marketing. Micro, small, and medium-sized businesses rely on marketing as a crucial strategy for their growth and survival. Marketing is the key determinant of success for any business. While larger corporations have the financial capacity to employ dedicated personnel for their marketing efforts, the MSME sector lacks such resources and requires institutional support to fill this gap in the field of marketing.

Literature review:

Nataraj and Pramod 2022 In their study, examined the current situation of MSMEs in Karnataka and conducted a detailed analysis of investment and employment trends within the sector. The researchers collected secondary data and employed one-way ANOVA, along with the PostHoc Test for enhanced accuracy. The findings reveal a noteworthy distinction among micro, small, and medium enterprises in terms of registration and employment figures. Microenterprises exhibited the highest number of registrations, investments, and employment opportunities compared to small and medium enterprises.

Mohan and Vidit in 2019, In a study conducted by the challenges encountered by Indian MSMEs (Micro, Small, and Medium Enterprises) in embracing internet marketing and e-commerce were investigated. The research involved qualitative interviews with a dozen firms, followed by a survey of over a hundred MSMEs operating in India. The combined responses from the interviews and survey aided in identifying significant obstacles and barriers faced by Indian MSMEs when it comes to adopting internet marketing and e-commerce for their business.

Ebitu, Ezekiel Tom, and Olom 2015 conducted a study that examined the correlation between marketing challenges and the performance of selected Small and Medium Scale Enterprises (SMEs) in the southern senatorial district of Cross River State. The objective of the research was to investigate the marketing difficulties faced by SMEs and their impact on the profit margin and sales volume of these small and medium-sized enterprises. The study employed a survey design, focusing on the area of Calabar Metropolis and targeting owners and managers of SMEs as the study participants. The sample size for the study was 150, and data was collected using a structured questionnaire. The questionnaire underwent content validation, and the reliability was confirmed through the test-retest method.

Sardar Gugloth and Kalyan Kumar 2011 conducted a study focusing on the marketing strategies employed by MSMEs in Andhra Pradesh, with the aim of ensuring their long-term sustainability. Andhra Pradesh, the largest state in southern India, has attracted significant investment and foreign direct investment (FDI), and has established numerous Special Economic Zones (SEZs). These factors have positioned the state to emerge as one of the leading industrialized regions in the country.

Objective of the study:

1. To Study the different government schemes available to MSMEs for marketing development.
2. To Assess the Awareness and Perceptions of MSMEs in Mysore District on Trade Fair Exhibitions

Hypothesis:

1. H₀): There is no significant difference in the awareness levels of MSMEs in Mysore District regarding trade fair exhibitions.
(H_a): There is a significant difference in the awareness levels of MSMEs in Mysore District regarding trade fair exhibitions.
2. H₀): There is no association between the size of MSMEs and their awareness and perceptions of trade fair exhibitions.
(H_a): There is an association between the size of MSMEs and their awareness and perceptions of trade fair exhibitions.

Meaning and Definition of MSME's

The definition of MSMEs can vary from one country to another, influenced by each country's unique economic, political, and social circumstances. Nevertheless, there are some common features shared by most definitions, often centered around criteria like the number of employees or the level of investment in fixed assets, and sometimes both.

In India, a new classification system for MSMEs was implemented on July 1, 2020. Previously, classification under the MSMED Act of 2006 was based on the investment in plant and machinery or equipment, with different criteria for manufacturing and service units. However, these thresholds were relatively low in terms of financial requirements. Recognizing the significant changes in the economy over time, a revised set of criteria for MSME classification was introduced as part of the Aatmanirbhar Bharat package on May 13, 2020. The goal of this revision was to align the classification system with current economic realities, establish an objective framework, and promote ease of doing business. (Source: Karnataka Economic Survey 2021-22)

Table1 : Classification of MSMEs

Category	Manufacturing and Service	
	Investment on Plant and Machinery	Annual Turnover
Micro	Up to Rs. 1. Crore	Up to Rs. 5 Crore
Small	Up to Rs.10Crore	Up to Rs. 50 Crore
Medium	Up to Rs. 50 Crore	Up to Rs. 250 Crore

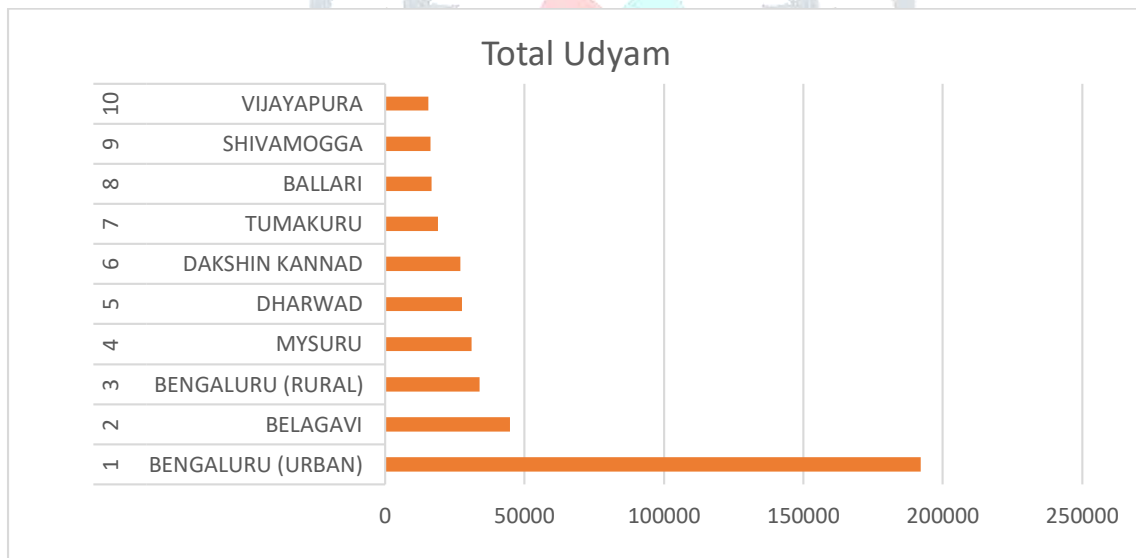
Source: Karnataka Economic survey 2022

District wise top ten MSMEs in Karnataka:

S. No.	District Name	Total Udyam	Micro	Small	Medium
1	BENGALURU (URBAN)	192178	179801	11063	1314
2	BELAGAVI	44862	43845	949	68
3	BENGALURU (RURAL)	33987	32561	1285	141
4	MYSURU	30944	29781	1078	85
5	DHARWAD	27621	26652	881	88
6	DAKSHIN KANNAD	27061	25950	1022	89
7	TUMAKURU	18924	18168	706	50
8	BALLARI	16697	15758	855	84
9	SHIVAMOGGA	16227	15669	526	32
10	VIJAYAPURA	15476	14987	455	34

Source: Udyam Adhar Registration portal

The table provides data on the total number of Udyam (MSME) establishments in various districts of Karnataka, along with their classification into Micro, Small, and Medium enterprises.



In various districts of Karnataka, the majority of Udyam establishments fall into the category of Micro enterprises, ranging from approximately 93.6% to 97.4%. Small enterprises make up a smaller percentage, ranging from around 2.1% to 5.8%, while Medium enterprises represent an even smaller proportion, ranging from about 0.2% to 0.7%. These statistics highlight the prevalence of Micro enterprises in these districts, with Small and Medium enterprises being relatively less common. In Bengaluru (Urban) district, has highest in Karnataka state Micro enterprises account for approximately 93.6% of the total Udyam establishments, while Small enterprises make up around 5.8%, and Medium enterprises represent about 0.7%. and Mysuru district consists of Micro enterprises making up approximately 96.1% of the total Udyam establishments, Small enterprises accounting for around 3.5%, and Medium enterprises representing about 0.3%. and lowest in Vijayapura district has Micro enterprises comprising approximately 96.8% of the total Udyam establishments, Small enterprises accounting for around 2.9%, and Medium enterprises representing about 0.2%.

Research Methodology

The study will incorporate both primary and secondary data sources and will primarily focus on MSMEs located in Mysore District. The research utilized a mixed-method approach, incorporating both quantitative and qualitative research methods to provide a comprehensive understanding of the role of marketing promotion schemes in promoting MSMEs at trade fair exhibitions. A sample of 48 MSMEs will be selected from Mysore District using a purposive sampling method. data has been collected through structured interviews and surveys conducted with the selected MSMEs, Secondary collected from sources such as the Udyam registration portal, MSME annual reports, and relevant literature on MSME marketing promotion schemes.in this study using both descriptive and inferential tools in Descriptive statistical tools, such as percentages and averages, has been used to summarize and present the primary data. And Inferential statistical tools, including Analysis of Variance (ANOVA), would employed to determine the significance of differences in awareness and participation in marketing promotion schemes among MSMEs at trade fair exhibition.

Scope of the Study:

The study focused exclusively on Mysore District, Karnataka, to provide an in-depth analysis of MSMEs operating within this geographical area. This focus allows for a detailed exploration of the specific characteristics and challenges faced by MSMEs in Mysore District in the context of marketing promotion schemes at trade fair exhibitions.

Government of India provides different marketing promotion schemes for MSMEs

Fig:1



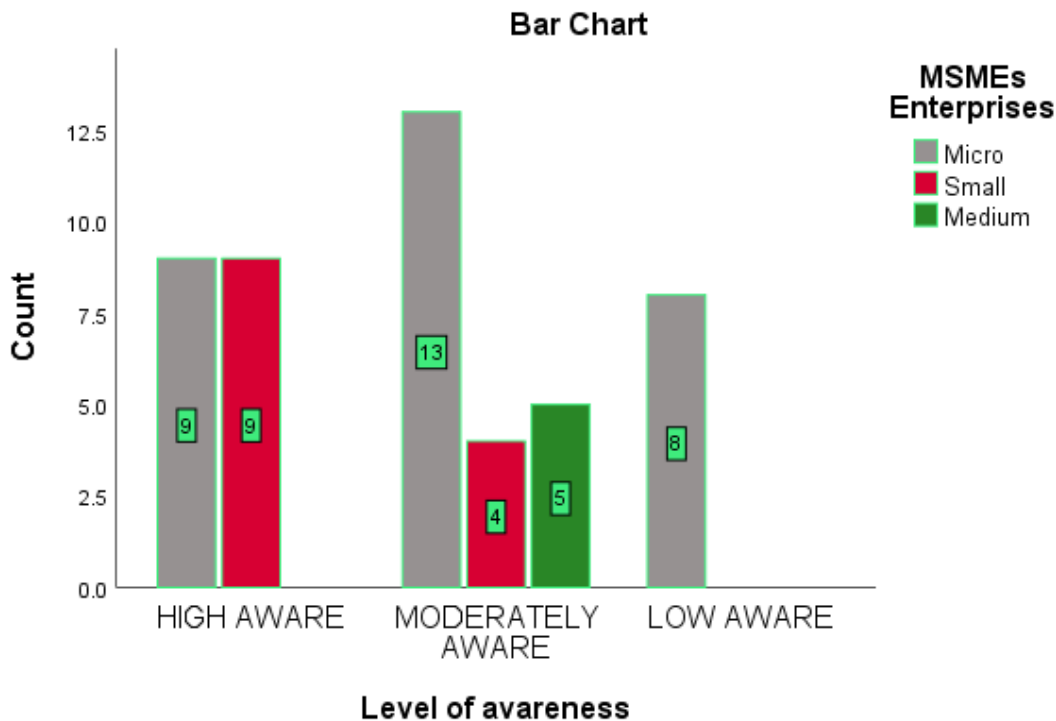
1. **Marketing Assistance Scheme (MAS):** MAS is a government program designed to assist Micro, Small, and Medium Enterprises (MSMEs) in India in improving their marketing capabilities. It provides financial support for activities such as market research, branding, packaging, and participation in trade fairs and exhibitions. The scheme aims to help MSMEs enhance their competitiveness and reach new markets, both domestically and internationally.
2. **International Co-operation Scheme (IC):** The International Co-operation Scheme focuses on fostering collaboration and partnerships between Indian MSMEs and foreign entities. It encourages joint ventures, technology transfer, and export promotion activities. Through IC, Indian MSMEs can establish connections with international businesses, explore global markets, and gain access to advanced technologies, all of which contribute to their growth and expansion on the global stage.
3. **Procurement & Marketing Support Scheme (PMS):** The Procurement & Marketing Support Scheme is a government initiative that assists Micro, Small, and Medium Enterprises (MSMEs) in India in their marketing efforts. It includes support for organizing marketing campaigns, trade shows, buyer-seller meets, and other activities aimed at promoting the products and services of MSMEs. PMS helps MSMEs in expanding their market presence and connecting with potential buyers and partners.
4. **Marketing Promotion & Development Assistance Scheme (MPDA):** The Marketing Promotion & Development Assistance Scheme provides support for marketing promotion and development activities. This includes financial assistance for market research, advertising, and promotional campaigns, all of which are critical to raising brand awareness and expanding market reach for MSMEs. MPDA helps MSMEs enhance their marketing strategies and create a stronger presence in the competitive business landscape.
5. **Marketing Development Assistance on Production Scheme (MDA):** MDA is a government initiative that supports MSMEs in enhancing their marketing efforts related to production processes. This scheme provides financial assistance to improve production methods, enhance product quality, and streamline manufacturing processes. MSMEs can use MDA to optimize their production, making them more competitive in the market. By focusing on both production and marketing, this scheme aims to foster the growth and competitiveness of MSMEs in India.
6. **Marketing Assistance & Technological Upgradation Scheme (MATU):** MATU is a government scheme that combines marketing assistance with technological upgradation for MSMEs. It provides financial support to help MSMEs adopt advanced technologies, improve product quality, and enhance their marketing strategies. By upgrading both technology and marketing efforts, MATU aims to boost the competitiveness and productivity of MSMEs, allowing them to better navigate the modern business landscape and expand their market reach.
7. **Scheme for Marketing Assistance and Technological Upgradation in MSMEs & Financial Assistance on Barcode:** This scheme is a comprehensive initiative that serves two main purposes: marketing assistance and technological upgradation. Under the marketing assistance aspect, it provides support for activities like market research, branding, and promotional efforts to help MSMEs reach a wider audience and improve their market presence. The scheme also offers financial assistance for barcode implementation, which is vital for product identification and tracking, especially for businesses looking to expand in domestic and international markets. By combining marketing support with technology upgradation, this scheme equips MSMEs to enhance their product quality, reach new markets, and stay competitive in an increasingly digital and globalized business environment.

Table:1

Level of awareness * MSMEs Enterprises Cross tabulation					
Count					
		MSMEs Enterprises			Total
		Micro	Small	Medium	
Level of awareness	HIGH AWARE	9	9	0	18
	MODERATELY AWARE	13	4	5	22
	LOW AWARE	8	0	0	8
Total		30	13	5	48

The above Table shows the relationship between the level of awareness regarding different government marketing promotion schemes for MSMEs and the types of MSMEs (Micro, Small, and Medium). The numbers in each cell represent the count of MSMEs enterprises that fall into each combination of awareness level and MSMEs type. It appears that "Low Awareness" is associated with a smaller number of MSMEs enterprises across all types. This data can be useful for further analysis and decision-making related to these enterprises and their participation in government programs.

Fig:2



This bar graph shows the distribution of MSMEs enterprises across different levels of awareness and types. It can be used to analyse how the level of awareness relates to the size of MSMEs enterprises.

Table:2

ANOVA					
Awareness on Tradefairs					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.499	2	2.250	5.223	.009
Within Groups	19.383	45	.431		
Total	23.882	47			

Awareness on Tradefairs		
Tukey HSD ^{a,b}		
MSMEs Enterprises	N	Subset for alpha = 0.05
		1
Micro	30	3.5778
Medium	5	3.7778
Small	13	4.2821
Sig.		.058
Means for groups in homogeneous subsets are displayed.		
a. Uses Harmonic Mean Sample Size = 9.669.		
b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.		

Data appears to be the result of an analysis of variance (ANOVA) test, the significance value (p-value) associated with the F-statistic is 0.009, which is less than the typical alpha level of 0.05. This indicates that there is a statistically significant difference between at least one pair of the awareness levels in terms of participation in trade fairs. However, the post hoc Tukey's HSD test indicates that there are no significant differences between awareness levels for different types of MSMEs enterprises, as the p-value is greater than the chosen significance level of 0.05.

Limitations of the study:

The limitations of the study include a relatively small sample size (48 MSMEs) and the exclusive focus on Mysore District, which may limit the generalizability of findings to a broader context. Additionally, the accuracy and completeness of secondary data sources will depend on the availability and quality of the data.

Findings

1. The majority of Udyam establishments in various districts of Karnataka are Micro enterprises, ranging from approximately 93.6% to 97.4%, with Small and Medium enterprises being less common. Bengaluru (Urban) district has the highest presence of Small and Medium enterprises, while Mysuru and Vijayapura districts are dominated by Micro enterprises.
2. The ANOVA test showed that there is a statistically significant difference between at least one pair of awareness levels in terms of participation in trade fairs. This means that awareness levels have an impact on the participation of MSMEs enterprises in trade fairs.
3. the post hoc Tukey's HSD test did not find significant differences in awareness levels for different types of MSMEs enterprises.

Suggestions and conclusion

1. The Micro enterprises dominate across various districts in Karnataka, there is an opportunity to provide targeted support and incentives to further boost the growth of these enterprises.
2. Government initiatives, training programs, and financial aid tailored to the specific needs of Micro enterprises could help in their development.

Government and industry associations should collaborate to conduct outreach programs and provide information about upcoming trade fairs, how to participate, and the advantages of doing so. This can help MSMEs make informed decisions and actively engage in such events. These suggestions aim to support the growth and development of MSMEs in the District and ensure that awareness and policy decisions are aligned with the specific characteristics of the enterprises and regions under consideration.

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