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STRATEGIC DIFFERENTIATION: MARKETING MIX MODELS ACROSS MICRO AND SMALL MANUFACTURERS

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ABSTRACT

Micro and Small Enterprises (MSEs) represent a dynamic component of global industrial growth, yet they face persistent marketing challenges due to limited resources. This paper explores how MSEs strategically differentiate themselves using the marketing mix (4Ps and beyond). By analyzing multiple marketing models adopted by micro and small manufacturers across industries, this study identifies distinctive patterns, challenges, and innovative practices that contribute to their competitive advantage. The findings offer valuable insights for policymakers, marketing professionals, and MSEs seeking sustainable market positioning.

Keywords: Marketing Mix, Micro and Small Manufacturers, Strategic Differentiation, 4Ps, MSME, Positioning

INTRODUCTION

The Micro, Small, and Medium Enterprises (MSME) sector is recognized globally for its role in job creation, innovation, and industrialization. Within this sector, micro and small manufacturers (MSMs) are often compelled to use innovative marketing strategies due to resource constraints. Traditional marketing mix frameworks—product, price, place, and promotion (4Ps)—may not always apply uniformly across enterprise scales. This study investigates how MSMs differentiate themselves strategically through tailored marketing mix applications to remain competitive.

The 4Ps marketing mix introduced by McCarthy (1960) has been widely adapted in various sectors. However, for micro and small manufacturers, the "resource-based view" (Barney, 1991) suggests that firms must leverage internal strengths creatively. Researchers such as Hills et al. (2008) argue that MSMEs often rely on personal networks, customer intimacy, and niche positioning to compete. The concept of "frugal marketing" (Sheth, 2020) has also emerged as a response to resource-constrained innovation.

LITERATURE REVIEW

Asia & Study, (2021) "According to the findings of the research, if a business cannot be identified on multiple social media platforms, it is very probable that customers are not purchasing its products. The useof digital platforms and technology by small and medium- sized businesses should be encouraged in order to stay up with, thrive in, and grow in their respective industries. Most SMEs have not completely embraced these new digital technologies, despite the fact that small and medium-sized enterprises (SMEs) account for a considerable portion of the global economy. Small and medium-sized enterprises (SMEs) account for morethan two-thirds of all private-sector employment in the United States, and SMEs account for 99 percent ofall employers in the country. We must make certain that these businesses are not overlooked. It can be defined as the use of the internet and related digital technologies to achieve marketing goals and to promote marketing activities such as supply chain management, customer relationships, and the delivery of high- quality services. Digital marketing is also known as internet marketing or web-based marketing. As a result, digital marketing refers to the use of electronic devices (computers) to communicate with customers, such astablets, mobile phones, and other similar devices. As a result, digital marketing methods have been successful in removing traditional marketing techniques while also extending marketing mix options. As a result, because of its high levels of interconnectivity, the internet has been compared to the wheel and the airplane in terms of its ability to influence future business and economic development. Furthermore, the flexibility provided by technology has increased the importance of digital marketing across the board in virtually every industry".

Boonmalert et al., (2021) According to the article's conclusion, digital transformation affects company growth patterns while also transforming established business models. Business must be established in order to change the firm model in order to avoid becoming a trailing business or having to cease operations and activities in the near future. The Internet has led in a shift in the manner in which marketing is conducted, particularly in the competition among organizations to get insights about client behavior wealth and to suit their requirements. The company is expanding its market reach by increasing consumer awareness, developing new markets, and providing clients with more access to corporate information over the internet. New business possibilities for organizations worldwide will help firms achieve great things in marketing and in their entire operations as a result of the organizational transformation. Small and medium-sized enterprises (SMEs) may benefit from digital marketing by creating possibilities, increasing company effectiveness, and gaining a competitive edge. The majority of small and medium-sized enterprises (SMEs) are not getting the benefit of online marketing. This has caused a reduction in investment opportunities, implying that smaller companies are slow to respond to changes brought about by the internet and that smaller companies are not the ones who benefit from efficiency, despite the fact that internet advertising or is useful and represents an opportunity for smaller companies regardless of size.

Selvam, (2021) Although the government has made steps to promote productivity, the contribution of small and medium-sized enterprises (SMEs) to GDP has not grown to an acceptable level during the previous seven years. When comparing the expected number of business activities in towns and cities, the projected number of trade operations in urban and rural areas is more than the projected number of business activities in cities and suburbs. Gender-based ownership firms in rural and urban regions have a significant impact on MSME activity, with male ownership having a disproportionate impact in urban settings. Among entrepreneurs and investors, the distribution of businesses ran from small to medium-sized firms, with the majority of male businesses being in the manufacturing area. In order to enhance efficiency and make a positive contribution to productivity expansion, it is recommended that the government implement integrated policy, provide sound data with effective management, encourage skills training in order to increase productivity, and evaluate the available credit through government funded agencies exclusively to small and medium-sized enterprises (SMEs).

METHODOLOGY

This study adopts a mixed-method approach involving:

1. Qualitative case studies of 10 micro and small manufacturers across textiles, food processing, handicrafts, and machinery industries.

2. Quantitative survey of 150 MSMEs in South Asia and East Africa to assess marketing mix preferences and effectiveness.

Data collection tools included structured interviews, field observation, and questionnaire-based surveys.

MARKETING MIX MODELS IN MICRO AND SMALL MANUFACTURERS

PRODUCT STRATEGIES

Micro manufacturers tend to emphasize customization and craftsmanship. Limited production allows for agile product changes and personalized features, creating differentiation through exclusivity.

Small manufacturers, with slightly more scale, focus on quality upgrades, brand extensions, and innovation in packaging to establish trust and reliability.

PRICING STRATEGIE

Micro units often employ survival pricing or customer-based pricing. Flexible negotiation and bundling are common.

Small firms integrate cost-plus pricing and value-based pricing, aided by better cost control and understanding of market value.

PLACE (DISTRIBUTION) STRATEGIES

Micro manufacturers primarily use direct channels—local markets, exhibitions, and social commerce (e.g., WhatsApp, Instagram).

Small manufacturers adopt hybrid models, combining traditional retail networks with e-commerce platforms. Collaborations with logistics startups are increasingly popular.

PROMOTION STRATEGIES

Micro manufacturers rely on word-of-mouth, local community outreach, and low-cost social media promotion.

Small manufacturers invest in digital marketing, influencer partnerships, and participation in trade fairs to boost visibility.

PEOPLE, PROCESS, AND PHYSICAL EVIDENCE (Extended 7Ps)

People: Family-run micro businesses focus on personal customer relationships. Small firms offer basic staff training to improve service delivery.

Process: Micro firms streamline production through manual craftsmanship; small firms adopt lean manufacturing practices.

Physical Evidence: Use of handmade labels, simple packaging, and testimonials in micro firms; improved branding materials and product display in small firms.

STRATEGIC DIFFERENTIATION ANALYSIS

*The study finds that strategic differentiation among MSMs stems from:

*Agility and proximity to customer preferences

*Cultural embedding in local markets

*Frugal innovation in promotion and distribution

*Strong brand identity through narrative-based marketing

CASE HIGHLIGHTS

*A micro handicrafts unit in Jaipur, India, uses Instagram reels and local heritage storytelling to attract niche customers abroad.

*A small-scale organic food brand in Kenya built its customer base through health-focused YouTube influencers and mobile food trucks.

CONCLUSION

Micro and small manufacturers demonstrate remarkable adaptability in using differentiated marketing mix models. Strategic use of available resources, cultural alignment, and innovative promotional methods enable them to build sustainable brands despite market limitations. This study underscores the need for supportive policies and training programs to scale these successes across the sector.

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