

A Study on Marketing Practices of Small-Scale Business with Reference to Coimbatore District

Mrs.V.Nithya¹, Dr.D.Vijayakumar²

¹Ph.D., Part time Research scholar, Department of Commerce, Government Arts college, Udumalpet,
¹642 126

²Assistant Professor, Department of Commerce with Computer Applications, Government Arts College,
Udumalpet -642 126

Abstract- This study examines the marketing practices of small scale businesses in Coimbatore District. Using a sample of 600 respondents selected through convenience sampling, the study analyzes various marketing strategies adopted by small enterprises. The findings reveal that both traditional and modern marketing practices are used, with increasing importance given to digital marketing, customer relationship management, and product innovation. The study highlights the need for improved marketing capabilities to enhance competitiveness and business growth.

Keywords- Marketing Practices, Small Scale Businesses, Digital Marketing, Branding, Customer Relationship Management, Coimbatore District

I. INTRODUCTION

Small scale businesses play a crucial role in the economic development of India by generating employment, promoting entrepreneurship, and contributing to industrial output. These enterprises are especially important in semi-urban and urban regions where they support local economies and provide livelihood opportunities. In recent years, the business environment has become highly competitive due to globalization, technological advancements, and changing consumer preferences. As a result, effective marketing practices have become essential for the survival and growth of small scale businesses.

Marketing practices refer to the strategies and activities adopted by firms to promote, price, distribute, and sell their products or services. For small businesses, these practices often differ from large firms due to limited financial resources, lack of

professional expertise, and restricted market access. Many small enterprises rely on traditional marketing methods such as word-of-mouth promotion, local networks, and direct selling, while gradually adopting modern techniques like digital marketing and social media promotion.

Coimbatore District, being one of the major industrial and commercial centers in Tamil Nadu, has a strong presence of small scale businesses across various sectors. These enterprises operate in a dynamic market environment and adopt diverse marketing practices to sustain their operations. Therefore, it is important to analyze the marketing strategies adopted by these businesses and understand the challenges they face in the current competitive scenario.

II. REVIEW OF LITERATURE

1. Philip Kotler (2017), Kotler emphasized that effective marketing practices are essential for business success, particularly in competitive markets. The study highlights that small scale businesses often rely on limited and informal marketing strategies due to resource constraints. It further explains that adoption of modern marketing tools such as digital platforms can significantly enhance market reach and customer engagement.

2. Vasant Desai (2019), Desai examined marketing practices in small scale industries and found that most enterprises depend on traditional methods such as personal selling and local promotion. The study revealed that lack of awareness, financial limitations, and inadequate training restrict the adoption of

advanced marketing techniques. It concludes that capacity building and institutional support are essential for improving marketing efficiency.

3. David Aaker (2020), Aaker focused on branding and competitive strategies, emphasizing that strong brand identity and differentiation are crucial for long-term success. The study suggests that small businesses must invest in branding, innovation, and customer relationship management to sustain in dynamic markets. It also highlights the growing importance of digital marketing in shaping consumer perceptions.

III. STATEMENT OF THE PROBLEM

Small scale businesses face numerous challenges in implementing effective marketing practices. These challenges include limited financial resources, lack of marketing knowledge, inadequate access to modern technology, and intense competition from large firms and organized retail sectors. As a result, many small businesses struggle to reach wider markets, build brand recognition, and maintain customer loyalty. In Coimbatore District, despite the presence of a vibrant small business sector, many enterprises continue to rely on traditional marketing methods and are slow in adopting modern marketing strategies. This may limit their growth potential and competitiveness in the market. Additionally, the effectiveness of different marketing practices varies across businesses depending on factors such as size, nature of business, and market conditions. Therefore, there is a need to study the existing marketing practices of small scale businesses, identify the factors influencing these practices, and analyze the challenges faced by entrepreneurs in implementing effective marketing strategies.

IV. OBJECTIVES OF THE STUDY

Primary Objective

- To study the marketing practices adopted by small scale businesses in Coimbatore District.
- To suggest measures to improve marketing efficiency and competitiveness.

V. RESEARCH METHODOLOGY

The study adopts a descriptive and analytical research design to understand and evaluate the marketing practices of small scale businesses. The descriptive aspect focuses on identifying the types of marketing practices adopted, while the analytical aspect examines relationships between variables and evaluates their effectiveness. The area of the study is Coimbatore District, Tamil Nadu, which is known for its industrial development and diverse small business activities. The sampling unit consists of small scale business owners operating within Coimbatore District. A total of 600 respondents have been selected for the study to ensure adequate representation and reliability of results. The respondents include owners or managers who are directly involved in the marketing activities of their businesses. The study uses a convenience sampling technique for selecting respondents, as it allows easy access and quick data collection from available participants. Although this method has certain limitations, it is suitable for field-based research.

Both primary and secondary data are used in the study. Primary data is collected through a structured questionnaire covering aspects such as marketing strategies, promotional activities, pricing methods, and challenges faced. Secondary data is gathered from books, journals, government reports, and online sources related to small scale businesses and marketing practices. Appropriate statistical tools such as percentage analysis, chi-square test, correlation analysis, and ANOVA are used to analyze the data and draw meaningful conclusions.

VI. LIMITATIONS OF THE STUDY

1. The study is confined only to Coimbatore District, limiting the generalization of findings to other regions.
2. The use of convenience sampling may introduce bias and may not fully represent the entire population of small scale businesses.
3. The study is based on self-reported data, which may be influenced by personal opinions and inaccuracies.

4. Time and resource constraints may limit the scope and depth of the study.
5. The dynamic nature of marketing practices means that findings may change over time with technological and market developments

- Social media marketing usage (0.78)
- Online sales platforms used (0.74)
- Discounts & promotional offers (0.72)
- Trade fair participation (0.69)
- Traditional advertising methods (0.65)

VII.ANALYSIS AND INTERPRETERATION

Factor Analysis of Marketing Practices

Purpose

Exploratory Factor Analysis (EFA) was applied to identify the underlying dimensions of marketing

Preliminary Tests

- KMO (Kaiser-Meyer-Olkin) Measure: 0.891
- Bartlett’s Test of Sphericity: $\chi^2 = 3568.42, p = 0.000$

Interpretation:

The KMO value (> 0.80) indicates sampling adequacy, and Bartlett’s test being significant confirms that the data is suitable for factor analysis.

Extraction Method

- Principal Component Analysis (PCA)
- Rotation Method: Varimax with Kaiser Normalization
- Factors extracted based on Eigenvalues > 1

Total Variance Explained

Factor	Eigenvalue	% of Variance	Cumulative %
Factor 1	6.42	32.10%	32.10%
Factor 2	3.18	15.90%	48.00%
Factor 3	2.21	11.05%	59.05%
Factor 4	1.54	7.70%	66.75%
Factor 5	1.22	6.10%	72.85%

Rotated Component Matrix (Loadings > 0.50)

Factor 1: Digital & Promotional Marketing Practices

Factor 2: Customer-Centric Practices

- Customer feedback collection (0.81)
- Customer relationship management (0.79)
- Credit facility to customers (0.66)
- Continuous product quality improvement (0.71)

Factor 3: Product & Innovation Strategy

- Innovative packaging adoption (0.77)
- Brand differentiation strategy (0.74)
- Frequent new product development (0.72)
- Importance given to branding & packaging (0.69)

Factor 4: Market-Oriented Practices

- Market research before product launch (0.76)
- Monitoring competitor strategies (0.73)
- Competitive pricing strategy (0.68)

Factor 5: Distribution & Operational Practices

- Effective distribution channel selection (0.79)
- Strong distributor relationships (0.75)
- Seasonal demand-based production (0.63)
- Direct marketing strategies used (0.61)

Interpretation

The factor analysis identified five key dimensions influencing marketing practices among small scale businesses:

1. Digital & Promotional Marketing – reflects adoption of modern and traditional promotion methods.
2. Customer-Centric Practices – emphasizes customer satisfaction and relationship management.
3. Product & Innovation Strategy – highlights branding, packaging, and product development.

4. Market-Oriented Practices – focuses on research, competition, and pricing strategies.
5. Distribution & Operational Practices – relates to logistics, distribution, and demand management.

Among these, Digital & Promotional Marketing explains the highest variance, indicating a growing shift toward modern marketing tools. However, traditional practices still coexist.

The results indicate that marketing practices of small scale businesses are multi-dimensional and influenced by a combination of customer focus, innovation, market awareness, and distribution efficiency. The emergence of digital marketing as a dominant factor suggests increasing adaptation to modern business environments, while the presence of traditional practices highlights transitional behavior among enterprises.

VIII.SUGGESTIONS

Based on the findings of the factor analysis, which identified five major dimensions of marketing practices among small scale businesses, the following suggestions are offered:

1. Strengthening Digital Marketing Adoption

Since digital and promotional marketing practices emerged as the most influential factor, small businesses should be encouraged to increase their presence on digital platforms such as social media and online marketplaces. Training programs on digital marketing, content creation, and e-commerce operations should be provided to enhance their competitiveness.

2. Enhancing Customer Relationship Management

Customer-centric practices play a vital role in business sustainability. Small enterprises should adopt systematic methods for collecting customer feedback, maintaining customer databases, and improving after-sales services. This will help in building long-term customer loyalty and repeat business.

3. Focus on Branding and Product Innovation

The study indicates the importance of branding, packaging, and product development. Small businesses should invest in innovative packaging, brand identity creation, and continuous product improvement to differentiate themselves in competitive markets. Government and industry bodies can support by providing branding assistance and design services.

4. Promoting Market Research and Competitive Awareness

Market-oriented practices such as competitor analysis and market research need to be strengthened. Entrepreneurs should be encouraged to conduct basic market surveys, understand consumer preferences, and monitor competitors regularly. This will support better pricing and strategic decision-making.

5. Improving Distribution and Supply Chain Efficiency

Efficient distribution systems are crucial for reaching wider markets. Small businesses should focus on developing strong distributor relationships, selecting appropriate distribution channels, and managing seasonal demand effectively. Logistics support and supply chain training can further enhance operational efficiency.

6. Encouraging Participation in Trade Fairs and Exhibitions

Participation in trade fairs and exhibitions should be increased, as these platforms provide opportunities for market exposure, networking, and customer acquisition. Government agencies can provide financial assistance and logistical support to facilitate participation.

7. Capacity Building and Skill Development

Regular training programs should be conducted to improve entrepreneurial skills in areas such as marketing strategy, digital tools, branding, and customer management. Skill development initiatives can significantly improve the overall marketing capabilities of small enterprises.

8. Government and Institutional Support

Government bodies and industry associations should strengthen their role in providing marketing assistance, awareness programs, and consultancy services. Special focus should be given to rural and semi-urban entrepreneurs who may have limited access to such resources.

9. Adoption of Technology

Small businesses should gradually adopt modern technologies such as CRM software, digital payment systems, and data analytics tools to improve efficiency and decision-making.

10. Encouraging Innovation and Flexibility

Businesses should adopt a flexible approach by responding quickly to changing market trends, customer preferences, and technological advancements. Innovation should be encouraged as a continuous process rather than a one-time effort.

and technology adoption suggest areas where improvement is needed.

In conclusion, the success of small scale businesses largely depends on their ability to adopt a balanced combination of traditional and modern marketing practices. Strengthening digital capabilities, improving customer focus, enhancing innovation, and leveraging institutional support can significantly improve their market performance. By addressing these aspects, small businesses can achieve sustainable growth and contribute more effectively to regional economic development.

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IX.CONCLUSION

The present study analyzed the marketing practices of small scale businesses in Coimbatore District using factor analysis. The findings reveal that marketing practices are multi-dimensional and can be broadly categorized into five key factors: digital and promotional marketing, customer-centric practices, product and innovation strategies, market-oriented practices, and distribution and operational practices.

Among these, digital and promotional marketing practices have emerged as the most dominant factor, indicating a gradual shift toward modern marketing approaches. However, traditional practices such as direct marketing, personal selling, and local networking continue to play a significant role, reflecting a hybrid marketing approach among small enterprises.

The study also highlights that customer relationship management and product innovation are critical for sustaining competitiveness in the market. At the same time, gaps in market research, distribution efficiency,