



A Study on Marketing Practices Adopted by Cotton Textile SMES in Karnataka

1. BHIMANNA

Research Scholar, Department of Commerce,
Srinivas University Institute of Management and Commerce.
Email: bhimannabhandari1@gmail.com

2. DR. AJOY S JOSEPH

Professor MBA Department,
Srinivas Institute of Technology Mangalore.

How to Cite this Article:

BHIMANNA, (2026). A Study on Marketing Practices Adopted By Cotton Textile SMES in Karnataka. International Journal of Creative and Open Research in Engineering and Management, <i>02</i></i>(6).
<https://doi.org/10.55041/ijcope.v2i6.196>

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<https://doi.org/10.55041/ijcope.v2i6.196>

Abstract

The Small and Medium Enterprise (SME) sector plays a crucial role in India's economic development by generating employment opportunities, fostering industrial growth, and contributing significantly to exports. Among the various industrial sectors, cotton textile SMEs constitute an important segment of Karnataka's manufacturing economy. In an increasingly competitive business environment, effective marketing practices have become essential for improving market reach, enhancing customer satisfaction, and sustaining business growth. The present study examines the marketing practices adopted by cotton textile SMEs in Karnataka. The study focuses on product strategies, pricing policies, promotional activities, distribution channels, branding initiatives, and customer relationship management practices adopted by these enterprises. Based on secondary data collected from research articles, industry reports, government publications, and academic sources, the study identifies the major marketing approaches followed by cotton textile SMEs and

evaluates their contribution to business performance. The findings reveal that a combination of traditional and modern marketing practices helps SMEs strengthen their competitive position and improve long-term sustainability.

Keywords: Marketing Practices, Cotton Textile SMEs, Karnataka, Product Strategy, Promotion, Branding, Customer Relationship Management.



1. INTRODUCTION

Small and Medium Enterprises (SMEs) are widely recognized as the backbone of the Indian economy due to their significant contribution to employment generation, industrial development, and economic growth. The textile industry is one of the oldest and most important industries in India, contributing substantially to national income and export earnings. Karnataka has emerged as one of the leading textile-producing states, with numerous cotton textile SMEs engaged in spinning, weaving, dyeing, processing, and garment manufacturing activities.

The rapid changes in market dynamics, increasing competition, globalization, and technological advancements have transformed the business environment. Consumers today have access to a wide range of products and possess greater awareness regarding quality, price, and brand value. As a result, cotton textile SMEs must adopt effective marketing practices to survive and grow in the competitive marketplace.

Marketing practices encompass a range of activities designed to identify customer needs, create value, communicate product benefits, and establish long-term customer relationships. These practices include product development, pricing decisions, promotional strategies, distribution management, branding, and customer relationship management. Effective marketing practices help enterprises attract customers, increase sales, improve profitability, and strengthen their market position.

In the context of cotton textile SMEs, marketing practices have become increasingly important due to changing consumer preferences, market competition, and the need for business sustainability. Therefore, understanding the marketing practices adopted by cotton textile SMEs is essential for improving their competitiveness and long-term success.

2. REVIEW OF LITERATURE

1. **Patel and Kumar (2022)** examined the role of relationship marketing in enhancing customer trust and long-term business success among SMEs. The study found that effective communication, customer engagement, after-sales service, and customer feedback management help organizations build strong customer relationships. These practices improve customer loyalty, increase repeat purchases, and contribute to sustainable business growth. The researchers concluded that relationship marketing is an important strategy for improving business performance and maintaining long-term customer relationships.

2. **Reddy (2023)** highlighted the growing importance of digital technologies and marketing innovations in improving the competitiveness of SMEs. The study found that digital marketing tools such as social media, e-commerce platforms, email marketing, and online advertising help enterprises expand their market reach and enhance customer engagement. The findings revealed that SMEs adopting digital technologies achieve better market penetration, increased sales, and improved business performance.



3. **Verma and Jain (2024)** investigated the impact of branding and integrated marketing communication on organizational growth. The study found that strong branding enhances customer trust, brand recognition, and customer loyalty. Integrated marketing communication through advertising, social media, sales promotion, and public relations helps create a consistent brand image and improves customer satisfaction. The researchers concluded that effective branding and communication strategies contribute significantly to market competitiveness and business growth.

3. STATEMENT OF THE PROBLEM

Cotton textile SMEs in Karnataka operate in a highly competitive business environment characterized by fluctuating raw material prices, changing consumer preferences, increasing production costs, and growing competition from domestic and international markets. Despite producing quality products, many SMEs face challenges in marketing their products effectively and reaching wider markets. The adoption of appropriate marketing practices can help these enterprises improve their visibility, attract customers, and enhance business performance. However, there is limited research focusing specifically on the marketing practices adopted by cotton textile SMEs in Karnataka. Therefore, the present study seeks to examine the various marketing practices employed by these enterprises and understand their role in business growth and sustainability.

4. OBJECTIVES OF THE STUDY

Following are the objectives set for the study

- To identify the marketing practices adopted by cotton textile SMEs in Karnataka.
- To examine the product, pricing, promotion, and distribution strategies used by cotton textile SMEs.
- To suggest measures for improving marketing effectiveness among cotton textile SMEs.

5. Research Methodology

The present study is descriptive in nature and is based entirely on secondary data. The required information was collected from peer-reviewed research journals, books, academic publications, government reports, Ministry of Textiles reports, MSME reports, textile industry reports, websites, and other relevant secondary sources. The collected data were systematically reviewed and analyzed using content analysis and literature review techniques to understand the major marketing practices adopted by cotton textile SMEs in Karnataka. Since the study is based on secondary sources, no primary survey, interview, or questionnaire was conducted.



6. MARKETING PRACTICES ADOPTED BY COTTON TEXTILE SMES

6.1 PRODUCT STRATEGY

Product strategy is one of the most important marketing practices adopted by cotton textile SMEs because the success of any textile enterprise largely depends on the quality, design, and uniqueness of its products. In the highly competitive textile market, customers have a wide variety of choices and often compare products based on quality, durability, comfort, appearance, and price. Therefore, cotton textile SMEs focus extensively on developing products that meet customer expectations and market trends.

6.1.1 Product Quality

Product quality is a major factor influencing customer purchasing decisions. Cotton textile SMEs focus on producing high-quality fabrics, garments, and textile products by using superior raw materials and adopting advanced manufacturing processes. Quality products enhance customer satisfaction and encourage repeat purchases.

6.1.2 Product Design and Innovation

To remain competitive, many SMEs continuously improve their product designs, colors, patterns, textures, and styles. Innovation helps enterprises meet changing consumer preferences and attract new customers.

6.1.3 Product Customization

Many textile SMEs offer customized products based on customer requirements regarding size, color, fabric type, and design specifications. Product customization helps enterprises cater to specific customer needs and build stronger customer relationships.

6.1.4 Eco-Friendly Products

Growing environmental awareness has encouraged several SMEs to introduce sustainable textile products such as organic cotton fabrics, natural dyes, and environmentally friendly production methods. These products appeal to environmentally conscious consumers.

6.1.5 Product Diversification

Instead of depending on a single product category, SMEs manufacture a variety of products including cotton fabrics, garments, home furnishings, towels, curtains, bed sheets, and industrial textiles. Diversification reduces business risk and increases market opportunities.

6.2 PRICING STRATEGY

Pricing strategy plays a crucial role in determining market demand, profitability, and competitiveness. Cotton textile SMEs adopt different pricing approaches based on production costs, market competition, product quality, and customer expectations.

6.2.1 Cost-Based Pricing

Most SMEs determine product prices by considering production costs, labor charges, transportation expenses, and desired profit margins. This approach ensures cost recovery and financial stability.

6.2.2 Competitive Pricing

In highly competitive markets, enterprises often set prices similar to or slightly lower than those of competitors to attract customers and maintain market share.



6.2.3 Value-Based Pricing

For premium-quality products, SMEs adopt value-based pricing where prices are determined based on the perceived value offered to customers rather than production costs alone.

6.2.4 Discount Pricing

Many enterprises offer seasonal discounts, festival offers, and special promotional discounts to increase sales volume and attract new customers.

6.2.5 Bulk Purchase Pricing

Special price concessions are often provided to wholesalers, retailers, institutional buyers, and customers purchasing in large quantities.

6.3 PROMOTION STRATEGY

Promotion is an essential marketing activity that helps create product awareness, generate customer interest, and increase sales. Cotton textile SMEs utilize both traditional and modern promotional methods.

6.3.1 Advertising

Traditional advertising through newspapers, magazines, brochures, banners, posters, radio, and local television channels remains a common promotional tool among textile SMEs.

6.3.2 Trade Fairs and Exhibitions

Participation in textile exhibitions, trade fairs, and industrial expos enables enterprises to showcase products, interact with customers, and explore new business opportunities.

6.3.3 Sales Promotion

Sales promotion techniques such as discounts, coupons, free samples, gifts, and special offers are frequently used to stimulate customer purchases.

6.3.4 Word-of-Mouth Marketing

Satisfied customers often recommend products to friends and relatives. Positive word-of-mouth promotion is considered one of the most effective and economical marketing methods.

6.3.5 Digital Marketing

Many SMEs have adopted digital marketing strategies using social media platforms such as Facebook, Instagram, WhatsApp, LinkedIn, and YouTube. Digital marketing helps enterprises reach larger audiences at relatively lower costs.

6.4 DISTRIBUTION STRATEGY

Distribution strategy ensures that products are delivered to customers efficiently and effectively. Cotton textile SMEs use multiple distribution channels to maximize market coverage.

6.4.1 Wholesaler Distribution

Wholesalers purchase products in bulk from manufacturers and distribute them to retailers. This channel helps SMEs expand their market reach.

6.4.2 Retail Distribution

Retailers act as the final link between manufacturers and consumers. Strong retailer relationships help ensure product availability and visibility.



6.4.3 Distributor and Agent Networks

Many SMEs appoint distributors and agents to market and distribute products across different geographical regions.

6.4.4 Direct Selling

Some enterprises sell products directly through company-owned outlets, showrooms, and sales representatives. Direct selling facilitates closer customer interaction.

6.4.5 E-Commerce Distribution

Online platforms such as Amazon, Flipkart, IndiaMART, and company websites enable SMEs to reach customers across India and international markets.

6.5 CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Customer Relationship Management focuses on building and maintaining long-term relationships with customers. CRM has become increasingly important in ensuring customer satisfaction and loyalty.

6.5.1 Customer Satisfaction

Textile SMEs prioritize customer satisfaction by providing quality products, reasonable prices, and reliable services. Satisfied customers are more likely to make repeat purchases.

6.5.2 Customer Communication

Regular communication through telephone calls, emails, social media, and messaging applications helps enterprises stay connected with customers and address their concerns.

6.5.3 Customer Feedback Management

Many SMEs collect customer feedback regarding product quality, design, pricing, and service performance. Feedback is used to improve products and services.

6.5.4 After-Sales Service

Effective after-sales support strengthens customer trust and improves customer retention. Assistance related to product issues and complaint resolution forms an important part of CRM.

6.5.5 Customer Loyalty Programs

Special discounts, membership benefits, and personalized services are often provided to loyal customers to encourage repeat purchases.

6.6 BRANDING PRACTICES

Branding has become an essential marketing strategy for differentiating products and creating a strong market identity.

6.6.1 Brand Development

Many SMEs develop unique brand names, logos, taglines, and visual identities to distinguish their products from competitors.

6.6.2 Brand Positioning

Enterprises position their brands based on quality, reliability, affordability, innovation, or sustainability to create a distinct image in the minds of consumers.



6.6.3 Packaging and Labeling

Attractive packaging and informative labeling help improve product appeal and communicate brand values to customers.

6.6.4 Brand Promotion

Brand awareness is enhanced through advertising campaigns, trade exhibitions, sponsorship activities, social media marketing, and public relations initiatives.

6.6.5 Sustainable Branding

Several cotton textile SMEs promote eco-friendly production practices, organic cotton products, and social responsibility initiatives as part of their brand identity. Sustainable branding appeals to environmentally conscious consumers and strengthens market reputation.

6.6.6 Brand Loyalty

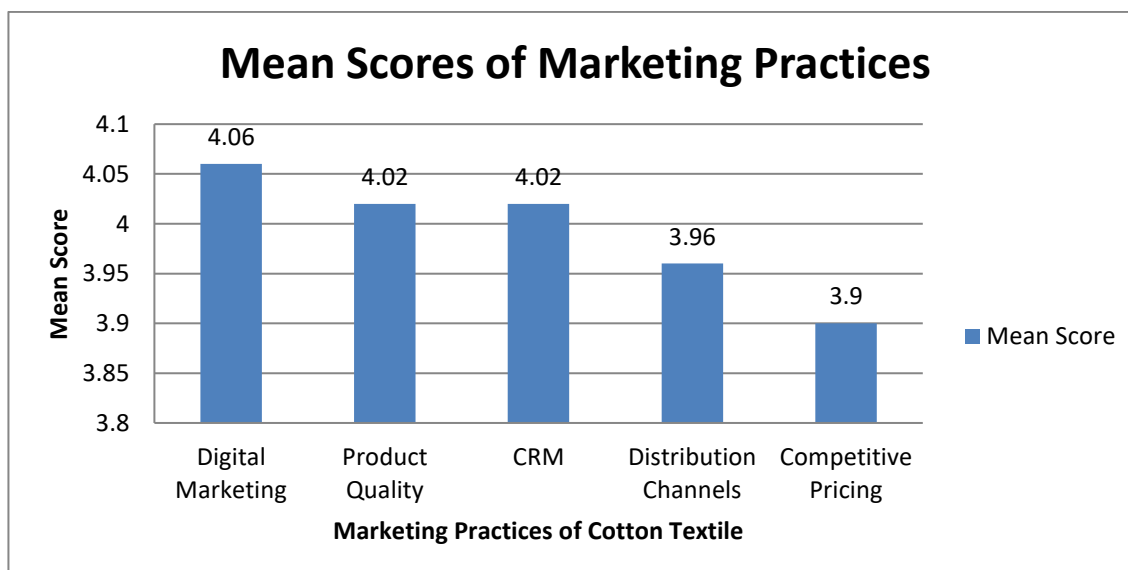
Strong brands create customer trust and encourage repeat purchases. Brand loyalty helps enterprises maintain stable customer bases and achieve long-term business success.

7. DATA ANALYSIS AND INTERPRETATION

Table: 1 Respondents' Opinion on Marketing Practices Adopted by Cotton Textile SMEs

Marketing Practices	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean	Std. Deviation
Product Quality Improves Customer Satisfaction	20	18	7	3	2	4.02	1.07
Competitive Pricing Helps Attract Customers	17	19	8	4	2	3.90	1.10
Digital Marketing Increases Market Reach	22	16	7	3	2	4.06	1.09
Effective Distribution Channels Improve Sales	18	20	6	4	2	3.96	1.08
Customer Relationship Management Enhances Loyalty	21	17	6	4	2	4.02	1.13

Source: Primary Data



The table presents the respondents' perceptions regarding the marketing practices adopted by cotton textile SMEs in Karnataka. The findings reveal that Digital Marketing Increases Market Reach received the highest



mean score ($M = 4.06$, $SD = 1.09$), securing the first rank. This indicates that respondents strongly believe digital marketing platforms such as social media, e-commerce websites, and online advertising play a crucial role in expanding customer reach and improving business performance.

Both Product Quality Improves Customer Satisfaction ($M = 4.02$, $SD = 1.07$) and Customer Relationship Management Enhances Loyalty ($M = 4.02$, $SD = 1.13$) jointly secured the second rank. The results suggest that maintaining high product quality and fostering strong customer relationships are essential factors influencing customer satisfaction, repeat purchases, and long-term business sustainability.

Effective Distribution Channels Improve Sales obtained a mean score of 3.96 ($SD = 1.08$) and ranked fourth. This indicates that respondents acknowledge the importance of efficient distribution networks, including wholesalers, retailers, distributors, and e-commerce channels, in ensuring product availability and market coverage.

Competitive Pricing Helps Attract Customers recorded the lowest mean score among the variables ($M = 3.90$, $SD = 1.10$) and ranked fifth. Although respondents agree that competitive pricing is important for attracting customers, they perceive other factors such as digital marketing, product quality, and customer relationship management as relatively more influential in enhancing business success.

The overall grand mean score of 3.99 indicates a high level of agreement among respondents regarding the effectiveness of the various marketing practices adopted by cotton textile SMEs. The standard deviation values ranging from 1.07 to 1.13 show moderate variation in opinions, suggesting that respondents share relatively consistent views on the importance of these marketing practices. Overall, the findings demonstrate that a combination of product quality, digital marketing, effective distribution, customer relationship management, and competitive pricing contributes significantly to the growth and competitiveness of cotton textile SMEs in Karnataka.

8. FINDINGS OF THE STUDY

1. Digital marketing received the highest mean score (4.06), indicating that it is considered the most effective marketing practice for enhancing market reach and customer engagement.
2. Product quality and customer relationship management jointly ranked second with a mean score of 4.02, demonstrating their importance in achieving customer satisfaction and loyalty.
3. Effective distribution channels obtained a mean score of 3.96, highlighting their role in improving product availability and market coverage.
4. Competitive pricing recorded a mean score of 3.90, showing that pricing strategies remain important in attracting and retaining customers.



5. The overall mean score of 3.99 indicates that respondents generally agree that marketing practices significantly contribute to the growth and competitiveness of cotton textile SMEs in Karnataka.

9. SUGGESTIONS

1. Cotton textile SMEs should increase the use of digital marketing platforms such as social media, e-commerce websites, and online advertising to expand their customer base.
2. Enterprises should continuously improve product quality and introduce innovative designs to meet changing customer preferences.
3. SMEs should strengthen customer relationship management practices through effective communication, feedback mechanisms, and after-sales services.
4. Greater emphasis should be placed on branding activities to create a strong market identity and enhance customer trust.
5. Firms should improve and diversify their distribution channels to ensure wider market coverage and timely product availability.

10. CONCLUSION

Marketing practices play a crucial role in the growth and competitiveness of cotton textile SMEs in Karnataka. Product strategy, pricing, promotion, distribution, customer relationship management, and branding significantly contribute to business performance. The adoption of both traditional and modern marketing practices helps SMEs improve customer satisfaction, expand market reach, and achieve sustainable business growth. Therefore, continuous improvement in marketing strategies is essential for long-term success in the textile industry.

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