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Impact of marketing communication and information sharing on the productivity of India's small and medium-sized businesses (SMEs)

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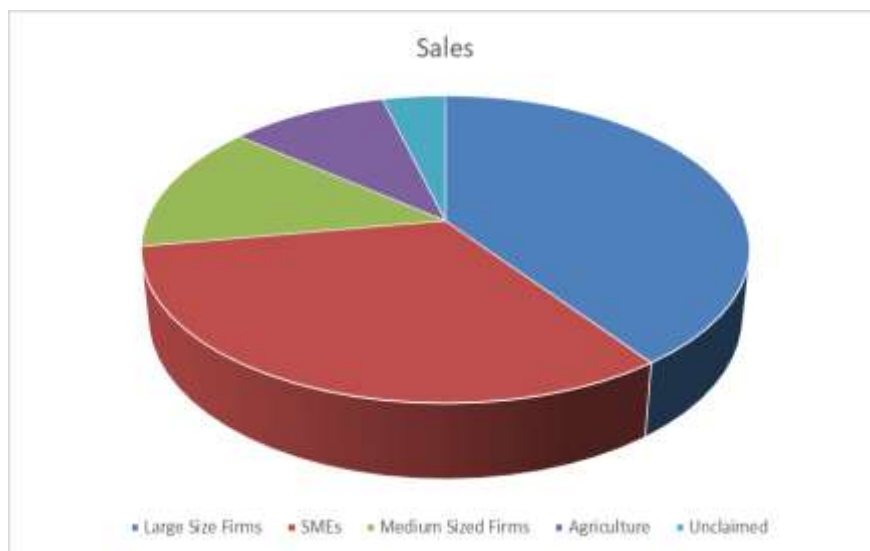
Abstract---The purpose of this research is to investigate the influence that marketing communication and information sharing have on the performance of businesses. The relationship between marketing communication, information sharing, client retention, and personalization, as well as the success of the firm, is investigated in this approach. In this research endeavour, a questionnaire was the instrument of choice for data collecting. A questionnaire was constructed with the help of previously discovered scale items relevant to marketing communication, information sharing, customer retention, personalization, and business performance. This led to the development of the questionnaire. The staff members of India's small and medium-sized firms (SMEs) each received one of the 500 questionnaires that were handed out to them. Partial Least Square was the statistical tool that was used to do the analysis of the data

(PLS). It has been discovered that effective marketing communication has a beneficial effect on the retention of existing customers, which in turn leads to improved company performance. Additionally, the exchange of information has a beneficial effect on customisation, which ultimately leads to the performance of the company. As a result, effective communication and sharing of information regarding marketing strategies are of utmost significance in order to boost the performance of SMEs.

Keywords--customer retention, customization, firm performance, information sharing, marketing communication.

Introduction

Maximization of firm performance is central concern of practitioners as well as academicians. Both practitioners and scholars place a significant emphasis on finding ways to improve a company's overall performance. Since the last few decades, companies have been focusing their efforts on improving their company performance in order to speed up their long-term commercial activities. Researchers from a variety of fields have come up with several different factors that contribute to business performance (Mazlan & Leng, 2018). Despite this, it continues to be an extremely important field of study since the continued existence of business organizations is largely dependent on the success of the corporation. Because the ability of a company to perform well is the most important factor in determining whether it will be able to survive in a highly competitive market. A high level of business performance indicates that this factor plays a favourable impact in the long-term survival of the business.



That is the reason why the company performance has continued to be the aim of academicians in addition to practitioners. Considering the significance of

company performance, the present investigation places an emphasis, among other things, on the performance of small and medium-sized businesses (SMEs). Because of the vital role they play in both national and international commercial activity, small and medium-sized enterprises (SMEs) are of critical importance to any nation. SMEs play a major role to enhance economic development (Gumel & Bardai, 2021). India, like the other countries, places a significant emphasis on small and medium-sized businesses. The contribution of small and medium-sized businesses to India's overall economic growth is another important factor. To make the most significant contribution to the economy, India's small and medium-sized businesses (SMEs) need to improve their performance. It is estimated that small and medium-sized firms (SMEs) contributed around 45 percent of the total gross domestic product (GDP) or seven trillion baht (\$215 billion) to the Thai economy in 2018. This figure was greater than the contribution of large-sized enterprises. Figure 1 illustrates how different kinds of small and medium-sized enterprises contribute to India's gross domestic product. Alongside their larger counterparts, small and medium-sized enterprises (SMEs) in India make a greater contribution to the country's gross domestic product. Figure 1 demonstrated that Thai SMEs have a significant impact on the country's overall economic growth, as evidenced by the fact that these SMEs provide a significant contribution to India's gross domestic product (GDP). Only small and medium-sized businesses involved in trade are the focus of this study. Small and medium-sized enterprises (SMEs) in the trading industry take part in national and international trade operations.

It is essential to improve the performance of Thai small and medium-sized businesses (SMEs) in order to increase their contribution to the country's overall economic growth. There are a number of factors that can have an impact on the performance of Thai small and medium-sized enterprises (SMEs); however, previous research has not investigated these elements in regard to Thai small and medium-sized enterprises that are involved in trading. Although various earlier studies (P CACLINI, 2021; Thatrak, 2021) have explored Thai SMEs in general, the literature does not specifically highlight Thai SMEs that are involved in trading. As a result, the purpose of this study is to investigate the small and medium-sized enterprises (SMEs) that are involved in trade in connection to the performance of the organization. According to the findings of the most recent study, marketing activities have the potential to boost the performance of an organization. Marketing communication efforts have the potential to have an effect on the performance of the business. The marketing communication activities raise consumers' levels of awareness regarding the goods and services offered by the company. This, in turn, piques consumers' interest in the goods offered by the company, which boosts the firm's overall performance. According to the findings of this study, effective marketing communication plays a beneficial role in retaining customers, which is the single most essential factor in determining the success of any commercial endeavor. The retention of existing customers is an essential asset for every company, as it has a direct bearing on the profitability of the firm, and a greater level of profitability is necessary in order to thrive in today's cutthroat business environment. The past ten years have seen a rise in the significance of small and medium-sized enterprises (SMEs) as a result of their major contribution to the economy. Furthermore, SMEs have crucial importance to boost the welfare of the general people. In addition, there is

a significant amount of value in the information being shared not only between the employees of the company but also between the employees of the company and any other stakeholders who may have an interest in the company's performance. The exchange of information is essential to the creation of new products or services as well as the modification of existing ones in order to fulfill the criteria of the target market. According to the research that has been conducted (Grafmüller, Hankammer, Honigsberg, & Wache, 2018), personalized products will always be of primary importance to both customers and businesses. As a result, the findings of this study supported the hypothesis that effective marketing communication and information sharing is necessary to encourage the maintenance of existing customer relationships and the customization of services, both of which contribute to the performance of SMEs. As a result, the purpose of this study is to investigate the impact that information sharing, and marketing communication have in the overall performance of a company. Research is conducted to investigate the ways in which marketing communication, information exchange, customer retention, and customisation are related to company performance.

Literature Review

Because performance is the only thing that may guarantee a company's continued existence in the market, business organizations are constantly required to maintain a particular level of performance. The function of performance, which is most significant in a business setting and is the goal of any organization, is the most crucial. As a result, the performance of the company is always crucial for the business organizations to continue existing in the current business environment. Performance of the company is also an essential factor for SMEs (Tian, Otchere, Coffie, Mensah, & Baku, 2021). There are many different kinds of small and medium-sized businesses (SMEs) in operation today, including retailing SMEs, manufacturing SMEs, service SMEs, and others. The ratio of manufacturing small and medium-sized enterprises (SMEs) in India is significantly larger than that of service and trading SMEs. Even compared to the number of trading SMEs, the number of service-oriented SMEs is quite low (Pathak & Ahmad, 2016). The current research is concentrating on the second most common form of small businesses, which are known as trade SMEs. The focus of the current study is on the commercially active SMEs. These small and medium-sized businesses are active in a wide variety of trade-related activities on both the national and international levels.

As a result, a significant portion of the national economy is dependent on the activities of small and medium-sized trading businesses, which play a pivotal role in the overall contribution that SMEs make to the national economy. As a result of the significant contribution made by these SMEs, the current study deliberated about whether or not to investigate the company performance of trading SMEs. The significance of trading small and medium-sized businesses (SMEs) cannot be ignored if one wishes to improve overall trade on both the national and international levels. The success of a nation's small and medium-sized enterprises (SMEs) in trade is also critical to that nation's overall trade performance. As a result, the performance of trading small and medium-sized businesses (SMEs) is one of the most important factors that needs the attention of both academic

scholars and practitioners. In this direction, the current study offered two significant ideas, namely, marketing communication and information sharing to boost business performance. Both concepts are intended to help firms become more successful. Both aspects of the strategy, namely information exchange and marketing communication, are of critical significance for the overall operation of the company. Because marketing has always played a significant role in the activities of businesses (Gelderman, Schijns, Lambrechts, and Vijgen, 2021), marketing communication is seen as an essential component for improving the performance of trading SMEs in India. The retention of customers was a direct result of improvements made in marketing communication. In addition, the exchange of information among the employees of the customer or the other stakeholders of the organization can stimulate the development of personalized products for the customers, which in turn can lead to improved firm performance. As a result, the interaction between marketing communication, information sharing, customer retention, and customized product offerings plays a vital part in the operation of the company.

Marketing Communication, Customer Retention and Firm Performance

The term "marketing communications" refers to the practice of utilizing a variety of marketing channels and techniques in tandem with one another. The term "different channels of marketing communication" refers to any means in which a company can send a message to the market in general or to the market it specifically targets. It aids in the acquisition of clients for the purpose of selling products and services, which has a direct influence on the operation of any company organization. The process of marketing communication involves advertising, numerous activities of direct marketing, branding strategies, package design, as well as an internet presence, various printed materials, sales presentations by company personnel, sponsorships, and other similar activities. According to Falahat, Ramayah, Soto-Acosta, and Lee 2020, the actions that are associated to marketing communication have a significant amount of relevance in corporate activities.

The maintenance of relationships with existing clients is yet another crucial aspect that determines how well a company does (Ho, Chung, Kingshott, & Chiu, 2020). The capacity of a company or product to maintain its existing customer base over a predetermined amount of time is referred to as customer retention. A high percentage of retained customers indicates that previous purchasers of a particular product are likely to make more purchases of that product in the future. Because repeat business from existing customers is essential to the success of any company, it is imperative that existing customers be kept happy. Customers are always the most important factor in determining how well a business performs. If a company is unable to keep its customers, it will have a negative impact on the company's performance; on the other hand, high customer retention rates have been shown to boost a company's profitability. Like manufacturing SMEs, trading SMEs need a strong client retention rate to improve company performance.

These are a few of the factors that determine the level of success that a company has. However, the findings of the recent study suggest that marketing

communication is a relatively important factor in determining the performance of businesses. mainly due to the fact that marketing communication has a direct contact with the organization's clients and customers. It has the capacity to strengthen the connection with the clientele. In a highly competitive business environment, the company's ability to maintain positive relationships with its clients is the single most important factor in determining its level of success. Communication in marketing between businesses can lead to satisfied customers, and satisfied customers are more likely to remain loyal customers.

(Duffett, Petroșanu, Negricea, & Edu, 2019) Past research has demonstrated that effective marketing communication is an essential component of every successful commercial activity. In addition to the beneficial effects that marketing communication has on the performance of a company, the retention of existing customers also has a good impact on that performance. Since the definition of "retention" is "control of something," the meaning of "retention" in the context of business is "control on customers." Increased control over clients can be achieved through improved service delivery to those customers. Customers are compelled to continue buying the company's products so the company can exercise better control over them. As a result of what has been discussed here, marketing communication plays a constructive role in the process of retaining customers in small and medium-sized businesses (SMEs), and that an increase in customer retention as a result of marketing communication has the potential to boost firm performance.

As a result, the following hypothesis has been formulated:

1. Marketing communication has a favourable effect on the retention of customers.
2. The marketing communication has a constructive effect on the overall performance of the company.
3. The retention of existing customers has a beneficial impact on the performance of a company.
4. Retaining existing customers acts as a go-between in the connection between effective marketing communication and successful business operations.

Information Sharing, Customization and Firm Performance

When people and other organizations transmit information along to one another in the context of information sharing or exchange, this is referred to as "sharing information." This could be accomplished digitally or via the use of systems. For the sake of the current research, information sharing can refer to either the employees of the business or the information sharing that occurs between various stakeholders. The dissemination of information among staff members is of critical significance to the operations of the company (Rhee, Kim, & Jin, 2019). The effective flow of information between employees can have a beneficial effect on the functioning of the company. The information obtained from the market is used to determine how well any given business is performing financially. According to the findings of this study, it is essential for employees, consumers, suppliers, and

business partners to share information with one another in order to improve corporate performance.

The exchange of information is also connected to the concept of personalization. Products are customized when they may be altered to meet the specific requirements of the buyer. It might be the design, the addition of a logo to the goods, some text to be written on the product, or something else entirely. According to Mourtzis, Zogopoulos, and Xanthi (2019), the importance of customized products to businesses cannot be overstated. In which the end user is actively involved in the creation of the product, as opposed to simply being a passive observer. The customer base demands individualized items. Consequently, the knowledge from the market is necessary for SMEs in order to develop products that are personalised.

It is determined by the comments or suggestions made by customers regarding the products or services offered by the company. The responses received from clients are taken into consideration by the workers of the organization, who then develop individualized solutions. In general, the supplier can provide critical input from the customers to facilitate the production of customized items. As a result, the performance of SMEs benefits greatly from the use of items that have been customized. According to the findings of this research, the sharing of information plays a beneficial role in the promotion of customisation, which in turn plays a positive role in the promotion of business performance. According to Abdallah and Matsui (2009), there is a significant correlation between personalization and performance. As a result, it has been suggested that.

Research Methodology

This study examines the relationship between marketing communication, information sharing, customer retention, customer customisation, and company performance. The data for this study came from first hand experiences. The survey was the method that was used to acquire the first hand data. Utilizing a questionnaire for the survey was the most effective method. As a result, questionnaires were developed by making use of the metrics that had already been revealed in earlier investigations.

As a result, items on the scale for marketing communication, information sharing, client retention, customisation, and business performance were taken from prior research. The small and medium-sized businesses operating in India make up the study's population. Because the focus of this study is on businesses dealing in trading, the selection process was limited to only those small and medium-sized enterprises (SMEs) that were engaged in commercial operations. The individuals who participated in the survey as respondents were employees of commercially active SMEs. As a result, 500 questionnaires were handed out to the staff members of SMEs in India, of which 241 questionnaires were handed back. In the end, after much scrutiny, a total of 236 legitimate questionnaires were utilized for the analysis of the data. In the end, a technique known as Partial Least Square (PLS) was used to assess the responses.

Impact of Marketing Communication on Small Enterprises

As mentioned above, digital marketing refers to marketing efforts that are carried out on various digital platforms. According to the research, employing a variety of digital marketing strategies can assist small businesses in expanding their customer base, developing an online brand, raising their brand's profile in the marketplace, and establishing a deeper connection with their clientele. When compared to more conventional marketing approaches, digital marketing requires a less investment of time and money, which is one of the many reasons why it is the superior marketing strategy. Other compelling arguments include the following: Due to the better conversion rate, the lesser utilization of capital is therefore of considerable aid to the smaller enterprises. As a result, improved conversion rates lead to increased profits, and by employing the appropriate strategies for digital marketing, small firms can successfully compete with their larger counterparts. To summarize, the most important advantages of digital marketing for small businesses are the ability to communicate with people all over the world, to focus on the appropriate audience, to increase engagement with customers, and to build loyalty to the brand. However, the research shows that although people are aware of the benefits of digital marketing, there has not been a lot of research done on how small firms use digital marketing. This is something that is not well understood. This is because the majority of the literature on digital marketing concentrates on larger enterprises and organizations. The most significant barrier that stands in the way of small businesses making investments in digital marketing is a lack of available capital. Nevertheless, the total amount of money that a firm is willing to put into this endeavor is almost entirely determined by the marketing approach that it already employs and the results that it anticipates. According to Nguyen et al. (2015), the digital footprint and the speed with which a company adopts new technology are two factors that distinguish between small and large enterprises. The "learn by doing it yourself" strategy is typically used by small firms, and through the process of self-learning, these businesses discover how to cultivate relationships with their clientele.

The expansion of the economy, technological advancement, and social cohesion are all directly attributable to the success of small and medium-sized firms. They are responsible for providing jobs for the majority of the people, yet they struggle to gain access to capital, they have trouble integrating themselves into international supply chains, and they operate in harsh regulatory contexts. Because of this, their capacity for expansion, not to mention their ability to invest in marketing, is constrained by the financial load that they confront. According to the research conducted by Jovanov et al. (2019), most businesses use a selective approach to their marketing activities. In addition, it was estimated in a different piece of research that the deployment of integrated communication outcomes has a beneficial impact on the financial performance of companies. There is no denying that people in today's globe live in a digitalized society, one in which the more conventional means of interacting are gradually becoming extinct. The process by which businesses carry out their day-to-day operations, communicate with their clientele, and recruit new clients will continue to be revolutionized by the advent of digital technology. This shift will result in a modification in consumer behaviour, which, in turn, will have repercussions for both the producers and the consumers. However, research also suggests that small and

medium-sized enterprises (SMEs) are not particularly effective in utilizing the digital technologies, and instead, they are more focused on overcoming the issues that they face, such as increasing their profitability and their growth. Despite this, the many digital channels that have emerged over the course of the past few years have become a viable channel for small businesses to use in order to bring in new consumers and keep the ones they already have. Not only do these channels make it easier and more direct for smaller firms to engage with their target audiences, but they also support these enterprises in growing their revenue and remaining in business. Small and medium-sized businesses (SMEs) can benefit from digital marketing because it broadens their access to customers around the world, improves their capacity to target those clients, and helps them achieve higher levels of market share and profitability. Nearly every small and medium-sized enterprise (SME) today has switched to a form of marketing that is less expensive and more participatory, such as digital marketing. This is because small businesses do not have the marketing budgets of major enterprises. In this setting, they have more opportunities, and in the process of engaging with the clients, they are more adaptable and innovative than the larger corporations.

SMEs and the Marketing Strategies they Employ

The literature suggests that the marketing function plays an essential part in the expansion and development of SMEs, and that the marketing strategies largely depend on the level of experience in marketing held by the manager or the owner. In their research work, Bettiol, et al. (2012) came to a similar result, namely that the managers of SMEs are a factor that contributes to the formulation and implementation of marketing strategies. Because the environment in which businesses operate is always evolving, it is necessary for such businesses to demonstrate both efficiency and adaptability to improve their overall performance. Therefore, the business environment and the competition have a huge impact on the performance of SMEs. Clark (2001) claims in his paper that marketing is essential for both understanding the market and being innovative, and he argues that this is because marketing is essential for understanding the market. However, the marketing strategies used by smaller businesses are heavily influenced by a variety of circumstances, including limited resources, the presence of competitors, the nature of the business environment in general, and the innate abilities of the manager. Because of these factors, the marketing strategies employed by SMEs might be described as unplanned, unstructured, and informal. Nevertheless, globalization and digitalization have also influenced the marketing strategies employed by a great number of businesses.

Conclusion

The purpose of this study was to investigate the effect that marketing communication and information sharing have on firm performance in Thai small and medium-sized enterprises (SMEs). Specifically, the research looked at the relationship between marketing communication, information sharing, customer retention, and customization. Following the collection of data from workers at SMEs, it was discovered that marketing communication and the exchange of information has a major importance to boost business performance. This demonstrates that marketing communication plays a constructive role in

accelerating the process of retaining existing customers. An increase in the proportion of returning customers has the potential to boost the success of the company. As a result, effective marketing communication has a beneficial effect on the retention of customers, which in turn leads to improved company performance. In a similar vein, the exchange of knowledge also boosts the performance of the company. The sharing of information has a beneficial impact, not only on the performance of the company but also on the customisation it can provide. Therefore, the exchange of information has a good effect on customization, which ultimately leads to the performance of the firm. As a result, Thai small and medium-sized enterprises (SMEs) ought to encourage the retention of customers and the personalization of services with the assistance of marketing communication and information exchange.

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