

Cross promotion helps SMEs to capitalise similar markets

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Marketing forms an integral part of any business because at the end of the day, every unit, small or big, is trying to sell a product/service to its target audience. Cross promotion refers to a form of marketing, which requires two business units catering to the same market to promote each others' products. This marketing strategy could be suitable for SMEs considering the fact that it not just reduces a unit's marketing costs but also ensures quicker consumer response to strategies, if planned accurately. According to Charan Arora, senior business consultant at Esource Global HR, a business consultancy in Mumbai, "This form of marketing is tailor-made for SMEs because it helps them reach out to a wider audience. Two SMEs from the same sector, one offering products and the other services, can reap maximum benefits from cross promotion. Besides the advantage of sharing the same market, offering both products and services together is likely to uplift the brand image of both units among consumers and help in customer retention. Moreover, it ensures brand visibility for both units." Cross promotion is also sometimes referred to as barter or co-operative marketing. One of the most inexpensive forms of marketing, cross promotion can help SMEs with a limited workforce to market its products/services with assistance from partner firms. In this context, Dushyant Bhalla, owner of NSPL Impax, a tiny unit in Jaipur, which manufactures and exports readymade garments says, "Cross promotions, although a very effective marketing tool, is not commonly practiced in the Indian SME sector because here SMEs are wary of collaborating with other smaller units and large firms mostly refuse to get engaged in cross promotion deals with SMEs. However, cross promotion helps an SME establish its credibility and enhance its reputation among consumers, which consequently helps in increasing the unit's productivity.

Sreemita Bhattacharya