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Online B2B Portals as an Effective Marketing Platform for Generation of Business Opportunities in the B2B Marketplace with regard to Micro, Small and Medium Enterprises in India

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ABSTRACT

The use of online B2B-portals provides an ideal platform for Micro, Small and Medium Enterprises (MSMEs) for generating business leads. MSMEs in India should avail these benefits offered by B2B portals as one of the key online marketing tools in order to extend their market reach across the markets of the world to acquire customers. Marketing through B2B-portals exposes the potentialities of products or services offered by MSMEs for showcasing their company products or services. This would be facilitated as B2B portals operate 24x7 online to initiate and carry out business with other business enterprises.

Online B2B portals act as an ideal platform for MSMEs for cost-effective growth in sales through extended market reach to acquire business. The B2B portals have simplified the generation of business leads to great extent and in particular with the MSMEs as they would seek to limit and control their sales expenditures. These B2B portals are the compilation of thousands of web pages to create a platform for buyers and sellers and help them generate business leads. B2B portals are setting a new paradigm in the B2B market. Hence, marketing through B2B-portals is significantly effective for every small business in the current scenario of the digital era.

The study intends to discuss the role of these B2B portals among MSMEs in gaining B2B customers by marketing their products or services through online B2B portals. There are various benefits provided by these popular B2B portals service providers to enhance the business opportunities for MSMEs. The study also intends to examine the

contributions of few such leading online B2B portals in the B2B marketplace of India towards the growth of MSMEs business in India.

Keywords: B2B Portals, MSMEs, B2B Market, Business Generation

Introduction:

B2B is defined as Business to Business trading which happens between two businesses. In simple words, the products or services are offered from one business to another business or businesses. In order to make this business happen between two or more businesses, there are mediator bodies or intermediaries who have come into existence whose purpose is to create web business portals online on the internet to bring these businesses (buyers & suppliers) together on a common platform to make business happen. Many manufacturers, traders, service providers do business either for purchase or sale of their goods or services using these B2B online business portals.

After the evolution of these online B2B portals, the B2B market place is playing a prominent role in generating business for all types of businesses. The contribution of these B2B marketplaces, especially towards the growth of MSMEs in India are of special interest in this study to analyze the generation of business opportunities, which have come up over a period of time, in terms of its effectiveness in saving time, cost and exposure to wide market reach.

Online B2B portal has become an ideal platform for all the sellers and buyers today to fulfill the business generation needs with minimal efforts unlike the conventional way of doing business in the past. Online B2B portal marketing has revolutionized the ways through which the business was done earlier. B2B portal marketing has become a major marketing tool or platform to generate business revenues and productivity, especially with regard to MSMEs in India. Today MSMEs business is unlimitedly exposed globally to connect its business to domestic as well as international markets, eliminating all those hurdles which have been a part of its business over the years.

Role of B2B Portals and Indian MSMEs:

Business-to-Business online portals have set a new classic exemplar in the world of business today with its new-age contemporary model of dynamically changing the business world. On the other hand, transformation of Indian MSMEs in the International arena is of vital importance now considering the economic growth of India. The growth of MSME in India needs considerable support from the government in the key areas of its development viz., technology, finance, quality, expertise, infrastructure etc., to enable its strength as an engine of Indian economy. As depicted in the report 'MSME at a Glance' by the Ministry of MSME-Government of India this sector constitutes thirty-six million enterprises by providing employment to over eighty million people in the country(Year ?). MSME sector is producing more than six thousand products contributing about 8% to the country's GDP. This sector alone is contributing 45% of India's manufacturing output and 40% of country exports(Citation?). Hence, it is believed that this sector has all the potential to spearhead the country's industrial growth as well become a major partner in the inclusive growth of the country.

Emergence of online B2B portals in India after advent of internet technology coupled with liberalization and globalization of Indian economy MSMEs of India are in transitional phase with increasing competition. The future of MSMEs in India has become challenging to equip their operations with emergence of easy access to the global market for doing business.

Business growth is the life-line of any business and the same applies to MSMEs also, otherwise competition will go-ahead and overtake. Hence, it is very important for MSMEs to take-out time and invest on internet resources to ensure that their business will survive in this competitive business

environment. In the last few decades , marketing through the internet has become the yard-stick of business-growth and especially to the growth of MSMEs.

Hence it is imperative for MSMEs to develop strong technology strengths, global mindset, competitive spirit and willingness to change or adapt on par with the prevailing changes in the today's modern business because the business world is moving towards survival for the fittest.

It is the need of the hour for MSMEs in India to discover on how to learn these tactics of adapting internet marketing tools and acquire the required skills. Above all, it is crucial to practice the use of these modern marketing tools in their day to day marketing activities as a core part of their business. Internet-led marketing using the e-marketing tools like B2B portals especially for the MSMEs who are in B2B business is the only means of doing business now for MSMEs in India in the era of this digitalized India.

Some companies are using B2B portals in their business to create awareness about their products or services to prospective consumers/customers. Others are using B2B portals to enhance their existing marketing strength to reach-out to global market effectively to sell their products/services. After the emergence of the internet , performing business digitally has changed the entire scenario of doing the business in the traditional method, which was followed by the businesses over the years. Many platforms have come in the e-marketplace to help MSMEs business in a variety of ways to virtually arrange the get-together of suppliers and buyers on the space created by e-marketplaces. The e-marketing tools like B2B portals by nature are helping MSMEs to save huge costs which otherwise would have been incurred heavily in the traditional-marketing set-up. MSMEs are now able to cross borders, enter newer markets, make diversification, and re-define their business relationships.

Effective use of online marketing channels like B2B portals by MSMEs can attract global customers without spending much on promotional cost of products or services. Same may not be possible through other traditional marketing channels. MSMEs can increase their customer database through online business portals. Buyers from all over the world send inquiry or contact through B2B portals. MSMEs can use this information as a database for future promotion or marketing of their products or services. B2B portals are like online showrooms to display the product catalogs of MSMEs business with description and prices. Buyers who are interested in the products of MSMEs will communicate via these marketing portals to give business opportunities.

Otherwise, in the traditional set-up of personal selling one has to explain or provide demonstration of the products or services to each and every customer for generating business leads or deals. In case of online marketing using B2B portals, one need not waste time and energy. With just an upload of products or services with specific description buyers can easily understand the product/service features.

Major Benefits of using online B2B portals for MSMEs:

Though MSMEs are considered to be the backbone of Indian economy , the challenges faced by these enterprises in terms of its financial constraints have been never ending in India in spite of various schemes from the government to support this vital sector towards its growth. MSMEs are always on tight budgets in their spendings on sales unlike larger companies do and on building the brand value.

However, today after the emergence of e-marketing tools like B2B portals , it has become possible for MSMEs to come out of this financial constraint in terms of its spendings and MSMEs are able to promote their products or services on par with larger companies. MSMEs are now competent enough to explore business globally at minimal costs.

Internet in general is complemented with leading online B2B trade portals like Alibaba, IndiaMart, TradeIndia and many others have simplified the way the business is done today by means

of their online platforms. These online platforms have simplified the way the business is done today. These Business-to-Business Portals serve as meeting-point for buyers & sellers to promote the products or services of business enterprises. There are several B2B portals in India viz., IndiaMart, TradeIndia, Sulekha etc., as well global B2B portals like Alibaba are acting as lead generation as well as sourcing sites to sell or buy products or services. All businesses whether it is a manufacturer or a service provider utilize these B2B portal platforms to sell or buy products or services. These B2B portals act as ready lists of suppliers in all categories. There are various other add-on services provided by popular B2B portal service providers to enhance the business opportunities for the companies. However, if any business enterprise among MSME sector is missing out the use of these online portals to explore and avail the business opportunities rendered by these portals for some or other reason it means that they are losing out certain key benefits offered by these online portals as discussed below:

Convenience: The convenience of performing marketing activities on the internet via B2B portals is one of the biggest advantages MSMEs have availed after the advent of internet. The emergence of B2B portals has made it extremely easy to reach buyers using the internet and reach its target customers anywhere in the world.

Market reach: Online B2B portals marketing does not have any restriction in terms of its reach. These online portals can be accessed by anybody from anywhere unlike office-based systems. Anyone from anywhere in the world can successfully see the online business profiles of companies to perform business.

Cost effectiveness: The cost incurred for B2B portals marketing is definitely more competitive than conventional traditional marketing. There is no need of sales force, high-end show-case premises and other amenities to do business today. The entire sales system for every business can be automated completely online thereby saving lots of expenses which otherwise is incurred on staff, wages, travel, place etc.,

Effective communication: B2B portals can focus on specific information customers want to see, rather than the generic information advertised through traditional media about companies' goods & services.

Accessible at any time of the day: B2B portals acts as all-time place for MSMEs making it available for their customers throughout the year accessibility during any time of the day to find and send a business proposal with an access to product or service information of companies unlike the older traditional set-up where-in the business hours were pre-defined by the companies. Which means the maximization of business happens much more through digitally than the older traditional systems because of its accessibility at all times to customers whenever they are looking for something from the market.

Builds brand awareness: Online B2B portals help MSMEs to build brand awareness through a variety of advertising campaigns. In addition, they can use various online campaigns simultaneously to build the brand awareness about the products or services they market. Also, it involves a lesser cost to build a brand unlike traditional methods used historically to create an awareness. Brand building exercise in internet marketing remains a continuous process by utilizing various online tools like B2B portals to spread the brand awareness of products/services offered by MSMEs to the open market.

Increase credibility: Online customer reviews, search rankings and online presence increases the credibility of the business the companies are engaged in. Trust seals obtained by the companies and third-party awards also increase the credibility of the companies thoroughly to showcase the company's strengths to prospects. Companies can also use B2B portals to showcase their credentials to prospects. Online Newsletters published by business enterprises increases the credibility of its image in the eyes of the viewers.

Lead conversion: B2B portals enable companies to have two-way communication to generate leads. There are various lead generation platforms/portals like IndiaMart, TradeIndia, Sulekha, etc., creating

an ideal B2B platform to generate leads for the companies' products and services in the B2B market according to their categories of business. Online lead-conversions happen automatically for businesses whenever the buyers are searching for the products. There is no boundary for lead-conversion when it comes to online-lead-generation. The lead may get generated from any corner of the world specifying the requirement for companies' products or services.

Obtain key performance metrics: With the use of online analytics and other tracking methods which can capture the data on buyers have proved that online marketing tools like B2B portals can be the best tools to obtain key performance metrics and measure marketing effectiveness. It empowers companies to trace, monitor and analyze cost-effectiveness to plan their future investments in their marketing expenditures. Through the reports of online analytics companies can know the performance of each tools they use in their marketing activities whereby they can evaluate and analyze the returns on their investments on each eMarketing tools.

Online B2B Market Places

Today there are many online B2B portals which are bridging the business generation possibilities for MSMEs. The primary objective of this paper is to analyze such few B2B marketplaces to highlight the contributions of these leading portals to the business growth of MSMEs in India. Three such website portals have been chosen for the purpose of analysis/study viz., Alibaba.com Indiamart.com and TradeIndia.

Many small to medium sized B2B companies are finding their local business stagnant, but have no idea how to globalize their operations. Why are so many struggling to find new business? Growing business and globalizing can be easy, no matter where the enterprises are located.

There are a growing number of large, successful and reputable online B2B marketplaces, where sellers can easily create their own homepage to showcase products or services online, locate and liaise with global buyers, reply to 'buying leads' and post 'offers to sell'

Conclusion

The concept of B2B e-Marketplace provides new era to facilitate MSMEs work more intelligently in order to generate business. This new marketing paradigm is reported to reshape the MSMEs business processes and enhances the business exposure unlimitedly to global market. Similarly, there is a great emphasis on the maintenance of the conventional model supported by up-to-date digital technology, and appropriate to innovative business models.

Every small and medium enterprise should get the chance to be a part of the global B2B marketplace where the money is. Emerging markets and the companies from these markets, especially MSMEs must try to get out of the box, must try to compete outside of the borders of one country if they want to succeed. The developing countries rely on MSMEs to drive their economies. Any success they have is the countries' success as well. MSMEs of India are called upon to take the initiative "Digital India" move to greater heights where the future of commerce is heavily dependent on the "digital" component rather than the traditional approach of commerce.

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