



Marketing Strategies for Chinese and Foreign Small and Medium-sized Enterprises: Enterprise Innovation

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Abstract. Since China entered the World Trade Organization (WTO), it has been embarking on attending global economic development and competition. In the global market, many Chinese enterprises are accelerating the pace of development, manufacturing, food, and other competitive industries are also in a prominent position in the international market competition. Many multinational enterprises have embarked on establishing branches in China. The development strategies of these multinational enterprises are all innovative management strategies in line with international standards, challenging local Chinese enterprises. Particularly, Small and Medium-sized Enterprises (SMEs) should innovate in marketing strategies so as to gain competitiveness in the fierce market competition. Therefore, this paper expounds the necessity of building the marketing system of SMEs, specifically analyzes the existing marketing problems of SMEs and related innovation strategies and puts forward some suggestions to promote the innovation of SMEs.

Keywords: Global economic development and competition; SMEs; Marketing strategies; Innovation

1 Introduction

1.1 Research background

Currently, countries all over the world attach great importance to the development of SMEs and the development of SMEs has become a major issue of the world's attention, especially for the 21st century. The positive role of SMEs has been reflected in the economic practices of many developed countries, which are conducive to promoting technological development, creating more job opportunities, enhancing the stability of economic development and promoting international trade. Driven by the policy of reform and opening up, China's SMEs have achieved rapid development and remarkable results, but there are a lot of shortcomings that need to be solved in the process of development. According to the actual development of SMEs in China recently, the number of bankruptcies of SMEs is increasing, and their marketing is poor.

1.2 Research objectives

Carrying out the reform of small and medium-sized economic system and strengthening the construction of socialist market economy will certainly promote the rapid development of SMEs. The sustainable development of economy has created positive conditions for the innovation of SMEs in China, but there are many shortcomings in their development. Currently, the competition of each industry is increasingly severe. The SMEs must strengthen innovation, so as to form differentiated advantages in enterprise competition and realize their own sustainable development. The concept of "micro-innovation", which has emerged in recent years, has a scientific methodology and innovation value. "Micro-innovation" actively promotes the improvement of enterprise core competitiveness. Therefore, this paper addresses the necessity of the construction of the marketing system of SMEs. This paper also puts forward some suggestions for SMEs to innovate according to the existing problems.

1.3 Research significance

As competition among SMEs is becoming increasingly fierce, additional products and services developed by SMEs are becoming more and more important. Compared with large enterprises, SMEs have a large gap in capital and technological ability and relatively low competitiveness. Thus, SMEs should adhere to the concept of customer first in business philosophy and formulate marketing strategies from the needs of users. For example, if customers are not satisfied with the products and services in some big industries, they can invest in research, so as to find their own development opportunities.

1.4 Research methods

1.4.1 Literature analysis method

In the research preparation stage, the author collects the literature on the marketing problems of SMEs, the research status at home and abroad, and marketing innovation, which laid the literature foundation for this paper.

1.4.2 Systematic analysis method

This paper systematically analyzed the marketing tactics of SMEs from the perspective of enterprise innovation and analyzed the existing problems of marketing tactics of SMEs in China. Finally, the paper puts forward some countermeasures and suggestions to enhance the core competitiveness of enterprises.

2 Literature review

2.1 Chinese and foreign research status

2.1.1 Foreign innovation studies.

2.1.1.1 Marketing innovation.

The earliest systematization of marketing theory originated in western developed countries. The western modern marketing theory entered China at the late part of last century, for our country business management and management provided a new method. [1] believe that marketing is the process of transferring the value created by the company to the target customers through communication, so that the company and customers can get what they need. Meanwhile, according to [2], marketing is the process by which individuals and business organizations get what they need, which involves product creation and value creation. This process gets involved in product creation and value creation, providing supply, and interacting with the demander. [3] believed that corporate functions cannot be separated from marketing and innovation. Products' micro innovation has become an important means of enterprise development. Especially now that the market competition is becoming more and more brutal, many enterprises produce core products that give consumers the impression of similar functions or interests. As a result, it is necessary for companies to make micro-innovations in add-ons and formal products to make customers feel different.

2.1.1.2 Technological innovation.

From the historical development of technology, innovation moves forward, but it may be changed by the current breakthrough and radical situation, and then circulates forward. This phenomenon has been demonstrated in products such as cameras, computers, airplanes, and automobiles. [4] pointed out that late-developing countries may lack basic conditions in the early stage and can only introduce relatively mature technologies with the help of companies from developed countries. The introduced technology is first promoted in the local area, and the surrounding SMEs rely on the reference for product production, gradually realizing development and innovation. China is no exception, and the same process is under way. However, due to the limitations of their own conditions, only a few SMEs have the corresponding high-tech innovation strength. These skills are not commodities and are sometimes not available, so most SMEs are just learning as they develop. The boundaries of SMEs are not as clear as before, and the openness and innovation of SMEs are inevitable [5]. [6] indicated that SMEs will also form a system of communication and innovation in their fields. SMEs should adapt to the development of The Times and actively make changes for the formation of this mode. By taking the semiconductor industry as an example, more than 80% of innovation is completed by users. In short, in the era of the rapid development of the Internet and computers, innovation tends to be democratic [7]. SMEs should provide customers with high-quality services and bundle customers and products together to help them gain competitiveness. For example, the rise of the Chinese "Xiaomi" company relying on "enthusiasts" is a successful example. At the company's beginning, Xiaomi first cultivated a group of seed users, which became the starting point for word-of-mouth communication. At the same time, "Xiaomi" pays attention to user feedback and encourages users to participate in developing Xiaomi's cell phones. Users will update many weekly feedback posts in the "Xiaomi" cell phone forum. Xiaomi engineers often launch a poll on the platform to collect user feedback and discuss the

product's final shape. Since then, "Xiaomi" has gained a solid competitive edge in the cell phone industry.

2.1.1.3 Service innovation.

SMEs can provide special services, so that customers enjoy unique services. For example, a Japanese clothing company implemented a fitting campaign in 2015 [8]. Customers may get a gift certificate from the company if they apply and get approval on the company's homepage and post their photos on Weibo. SMEs can make products or services suitable for customers in the market, so that customers can obtain unique experience, which is also the root of micro innovation [9].

2.1.2 Marketing strategic status for innovation.

2.1.2.1 Marketing strategic status for product innovation.

Product strategy generally refers to the first step for SMEs to decide on product varieties or service types when developing marketing strategies [10]. In the process of enterprise marketing development, there are usually three stages. The first is the initial stage of focusing on product performance. The second is the intermediate stage of comprehensively satisfying customer satisfaction. Finally, it is the stage of close consumer relationship through marketing experience to form an effective emotional link [11]. Looking back on the history, in the marketing process of promoting the Beatles, it is found that the mode of consumers' memory of the Beatles is the ultimate realization, and this resonating mode that inspires the deep heart of consumers is still in use today [12].

2.1.2.2 Marketing strategic status for channel innovation.

Channel strategy generally refers to how enterprises use various channels to get their products into the hands of target customers [13]. In the Internet era, a variety of sales channels are booming, traditional channels and new channels compete with each other, mutual integration has become the mainstream. [14] found that microblog marketing is widely used in the process of business operation due to its fast propagation speed and low cost. Sina has more than 20 million newly registered users every year, and many well-known film and television stars have more than 2 million Weibo fans. Although successful cases in this field still need to be further accumulated, some SMEs have already achieved their initial goals. For example, Apple has made a network release through the social platform of Sina Weibo, which has attracted widespread attention from the society [15]. This model has the advantages of low cost and wide range of publicity, and there is a huge space for development in the future.

3 Significance of marketing strategies and innovation

3.1 Significance of marketing strategies for SMEs

The popularization of information technology has promoted the development of many emerging industries, and the traditional marketing management has been difficult to meet the needs of economic and social development. In this way, SMEs need to follow the pace of the era and positively make innovations on the marketing management mode. The core of the "internet+" is to combine with the internet strengths and the traditional marketing strengths to enhance the industrial business level. Hence, it is necessary to apply internet technology and Internet thinking to the marketing management of traditional industries, so as to provide a broader prospect for the development of SMEs. In this case, the SMEs should actively use the "Internet" to innovate management mode.

In the Internet era, advanced technologies such as Internet technology, big data and cloud computing technology are widely used in social industries. The combination of the Internet and the real economy is not only conducive to improving production efficiency, product quality and product application effect, but also can strengthen the quality and efficiency of internal management of enterprises. In general, the Internet is characterized by openness, sharing and systematization. The reasonable application of relevant technology can promote the contact and communication of marketing management of SMEs, and promote the transformation and upgrading of SMEs.

3.2 Innovation importance in marketing of Chinese SMEs

SMEs are an important force for national economic development and social stability. Under the current market economy system, SMEs play an important role in alleviating the employment pressure, promoting the sustained growth of the national economy, and optimizing the economic structure. However, many SMEs lack systematic planning and marketing innovation ability, so these enterprises are in a stagnant state in the brutal market competition. Under the context, in order to improve the market competitiveness of SMEs, it is necessary to make innovative adjustment of their marketing strategies.

From the perspective of the law of product marketing, product production should not only meet the needs of the public, but also show unique characteristics. Products with insufficient personalized features are hard to arouse people's attention in a short time. In the current market economy environment, SMEs need to develop in the direction of individuation, and innovation is the necessary factor to promote the realization of individuation development of SMEs. Therefore, the SMEs should use innovative concepts to promote the continuous progress of products and marketing strategies.

4 Specific analysis of marketing strategies for SMEs

4.1 Causes and influencing factors of marketing dilemmas for SMEs

4.1.1 Causes of marketing dilemmas for SMEs.

By summarizing the current business situation of SMEs, there are two main reasons for the marketing dilemma. The first aspect is the marketing investment issue. Enterprise marketing is an important part of enterprise production and operation, which needs constant investment, but the scale of capital of SMEs is relatively insufficient. Hence, SMEs should make a plan in capital use. From the current enterprise practice, many SMEs tend to pay attention to product research and development in the use of funds, so the marketing investment is very limited. Under the circumstance, the marketing scheme of SMEs is relatively simple, and the marketing plan of SMEs is relatively simple, and the implementation cycle of marketing strategy is relatively long. The simple marketing plan has no bright spot, and the execution cycle of the marketing strategy is long, which leads to the unsatisfactory marketing effect of SMEs.

The second aspect is the issue of marketing philosophy and design. Product marketing needs guiding ideas and clear goals, so as to ensure the development and design of marketing programs more comprehensive. According to the current marketing practice of SMEs, it can be found that more SMEs do not have the clear direction in the product marketing process. There are problems in the specific marketing concept and marketing positioning, which lead to the mismatch between marketing strategy and market practice and bring unsatisfactory marketing effect. In short, the enterprise marketing should find out the marketing key points, grasp the marketing channels, improve the marketing practice effect.

4.1.2 Influencing factors of marketing for SMEs.

According to the current marketing dilemma analysis of SMEs, there are more specific factors affecting marketing of SMEs, summarized as follows:

The first factor is the marketing positioning. In the enterprise marketing, marketing positioning is very important and determines the basic direction of marketing. To do marketing planning on this basis can solve more problems. Take the new product of a SME as an example. There are products of the same type in the market, but the price is relatively high, while the product price of the enterprise is relatively low. Hence, the marketing should focus on the price.

The second aspect is the marketing service. In marketing practice, service level will affect the specific effect of marketing, and more and more consumers will pay attention to marketing services. If customers are satisfied with the service, even if the product cannot reach the expectation, they will have a favourable impression on the product. On the contrary, if the service is not right, people can hardly accept it, even if the product is relatively good. Therefore, marketing services are of great importance in practice.

4.2 Existing problems in marketing strategies for SMEs

4.2.1 The lagging marketing concept and low market expansion strength.

At present, many leaders of SMEs adhere to the old marketing concept, marketing awareness is weak. There is no doubt that some SMEs are constantly exploring new marketing strategies, but the strength of market development needs to be improved. In the actual operation of enterprises, smes lack the guidance of innovative thinking,

which often leads to the disconnection between production and marketing. Moreover, some SMEs pay too much attention to short-term sales performance, ignoring the cultivation of basic market, resulting in unstable product sales.

4.2.2 Improper human resource management and shortage of the innovation-based marketing talents.

Some managers of SMEs have realized the importance of innovative marketing strategies and carried out relevant strategic planning in practical application, but the final effect is not obvious. The main reason is the improper management of human resources by managers of SMEs and the serious shortage of innovative talents. In this case, the management of SMEs should put the importance of talents in the first place, introduce and tap excellent talents, and break the talent bottleneck that restricts the development and growth of SMEs.

4.2.3 The single marketing means and the strategic shortage for innovation.

Market uncertainty leads to unpredictable changes at any time. SMEs should adjust their marketing strategies at any time in the overall market according to their changes. However, many managers are shortsighted and tend to focus only on short-term economic benefits. At the same time, SMEs have not implemented innovation strategies in accordance with local conditions, which has adversely affected their long-term development.

4.2.4 The disconnection and the shortage of linkage between the marketing department and other departments.

The Marketing Department of an SME is responsible for studying market dynamics and changing products and services based on customer needs. At the same time, the corresponding pricing strategy, promotion means, and distribution channels are needed as auxiliary. To achieve these goals, it is essential for the marketing department to cooperate with other departments in SMEs. At present, a large number of SMEs have not established the linkage mechanism between the Marketing Department and other departments, and the marketing strategy and plan are not perfect, which is not conducive to the implementation of comprehensive marketing strategy.

5 Discussion and conclusion

5.1 Advices

5.1.1 To expand the marketing channels.

Since the 21st century, the information technology represented by the Internet is in a dominant position, which has a profound impact on the business model of SMEs. SMEs should reform the distribution channel, boldly integrate the new channel mode, and use advanced Internet information technology to expand the marketing channel. In cyberspace, SMEs are basically in an equal competitive position with large enterprises.

In the long run, SMEs should fully combine their own actual conditions, build their own characteristics of the enterprise trade network, information network, and constantly deliver product information to the market. Also, SMEs can use big data analytics to understand new consumer needs, thereby improving products and services, customer experience and satisfaction, and economic benefits.

5.1.2 To guide with the innovation-based marketing philosophy.

The competition of global market economy is becoming fiercer. SMEs need to change the traditional backward marketing concept, take the innovative marketing concept as the guidance, establish scientific and reasonable enterprise marketing values, so as to achieve sustainable development. In the current market economy environment, development is gradually fair and orderly, and hardware standards among products are gradually converging, so it is difficult to create more profits for SMEs by simply relying on price competition. Hence, SMEs ought to switch marketing strategies, utilize a variety of non-price competition to open the market, improve the quality of their own products, and do a good job in the lifetime service of products.

6 Conclusion

To sum up, innovation is the primary driving force for development. As the main force participating in the market economy, China's SMEs are of great significance to the national economic growth. SMEs should constantly innovate marketing mode to maintain the vitality of development. Innovating marketing ideas and broadening marketing channels can make SMEs adapt to the complex and changeable market environment and succeed in the fierce market competition.

Based on the problems existing in the marketing process of SMEs, this paper discussed how to innovate marketing ideas, established marketing consciousness and chose appropriate marketing means and strategies for SMEs in the face of the new economic situation from many angles by building the theoretical framework of enterprise innovation". Nowadays, enterprises are in the increasingly fierce market competition. The key question whether they can survive and develop in the fierce market competition is whether they can cope with market changes through their own system reform and innovation, adjust their thinking according to the specific market situation, and establish a reasonable operation mechanism. The contribution of this research lies in guiding SMEs to make innovations and take full advantage of their resources to remain invincible in the market competition.

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