

Marketing needs allocated resources in SMEs

Starting a new SME business or trying to raise the profile of an existing one requires extensive marketing efforts, which is sometimes overlooked as a necessity by SME owners.



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Gugu Mjadu, executive general manager: marketing at Business Partners, says that in the end, overlooking the marketing function could prove more costly than allocating a budget to it. "Underestimating the importance of marketing as an entrepreneur is not only risky for a business, but can have adverse long-term effects. Marketing needs to be treated as a stand-alone function, and should be allocated the necessary resources."

With the growth of social media and the impact of globalisation on product and service accessibility, one cannot afford to neglect the role that marketing plays in the business, however small. "There are many platforms available for SMEs to take advantage of, some less expensive than others. Entrepreneurs need to start acknowledging the existence of these platforms and ascertain which channels are most suited to their business."

Advice on how to take advantage of marketing as a driver of competitive advantage

- **Establish an online presence:** With the growing popularity of eCommerce in South Africa, local entrepreneurs should seek to establish themselves online. South Africans are increasingly turning to online platforms to source goods and services, therefore online marketing, in the form of social media platforms or a website, offers vast opportunities for entrepreneurs. However, entrepreneurs need to be conscious of the fast changing pace of technology. For example, Google announced earlier this year that it would be updating its search algorithm to rank mobile friendly websites above others in Google searches. Small businesses therefore need to ensure that their websites are updated, or designed accordingly to ensure that the platform remains relevant. Entrepreneurs can use platforms such as South African Business Woza Online to develop their websites and establish an online presence via Google platforms.
- **Make social media work for you:** Creating engaging and relevant content for your target audience is only half the battle. Business owners need to ascertain which platform is most suited to their audience so that they know where to spend their efforts. For example, an international report by Content Marketing Institute's 2015 B2B benchmark report revealed that 94% of B2B marketers use LinkedIn to distribute content. On the other hand, a fast moving consumer goods business may find that Twitter is more suited. Businesses should also constantly seek ways to integrate social media efforts into all their marketing channels to ensure success. This can be done by including social sharing options to blogs, emails and the business's website. Research has shown that this will increase click-through rates significantly.
- **Allocate a marketing budget:** Marketing is essentially about communicating the value of a product, service or brand to potential customers, for the purpose of promoting or selling that product, service, or brand. To do this requires resources, which ultimately translates to money. Being readily accessible, the Internet can assist business owners in saving on marketing spend.
- **Honesty is key:** Marketing is about keeping your promises, so entrepreneurs should never inflate their business capabilities. Customers are increasingly wary of rip-offs, especially with the increasing rate of scams worldwide. Ensure that corners are not cut by marketing half-truths about what the company is able to deliver. Competition is rife, and once the business' reputation is tainted, it may take a long time to recover, if ever.
- **Stay relevant:** If marketing efforts are not relevant to the business's target market, an online presence and large

marketing budget will make no difference. Relevance means providing solutions to your customers' needs while adding value.

- **Network:** Establishing connections with substance through networking is part of the marketing process, and is vital to businesses of all sizes. Entrepreneurs should set time aside to network, as good business relationships do not just happen overnight. These relationships require time and effort as with other goals and initiatives.

"It is important for entrepreneurs to understand their target audience and consider which channels will best reach them. Entrepreneurs need to ensure their strategies correspond to their audience's preferences, as there isn't a one size fits all approach," concludes Mjadu.

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