

3 mistakes startups make

Building a company from an idea or concept is no easy feat. The failure rate of startups is high with on average around 50% of all startup businesses in South Africa failing within 24 months due to the inability and inexperience of their owners.



Andrew Watson

Concerning yourself with the bottom line isn't enough to float a business, but with the plethora of factors that a founder has to consider, including operating in a lack-lustre economy – it's a wonder that so many new businesses make it out of the starting blocks.

So, what is the proverbial 'low hanging fruit' when it comes to building a business?

Marketing expert and business owner Andrew Watson, from Brandright, sums up three major mistakes that he's seen cripple fledgeling businesses:

1. Building a business, not a brand

Building a product, service or offering in isolation is your first mistake, says Watson.

"The first job in building a business is the construction of a customer-facing brand reflecting key marketing fundamentals. This includes identifying and developing your target market, competitor set, customer benefits, what makes you different and special, your purpose, what you stand for, how you look and your values and personality."

Most importantly, Watson says that spending any marketing Rands before these foundations are solid will result in a complete waste of time and budget, both of which are in short supply in the initial phase

a startup launch.

2. No clear marketing plan

A marketing plan is a critical document that helps businesses connect their newly developed brand to their primary target audience. A strategic shopping list that details where best to spend your marketing budget to achieve your business objectives.

“The marketing plan should be one of the first documents you compile for a new business, and it can be critical in the process of securing investment in your business or placating your investors in terms of your focus and growth areas’.”

He continues to say that this is something lacking in many small businesses, who falsely believe that a marketing plan requires large budget allocation, which they don't necessarily have.

3. No website

A company website is the epicentre of all online activity for your customer base. Potential clients are almost always seeking additional information from a company website, as well as contact details, services offered, details on the team and more.

A website offers far more credibility to your business and allows customers to get familiar with the company before they actually interface with the owner or team. It's a critical resource for growth and something that's often ignored in place of a social platform like Facebook.

Small business and SMEs have the potential to drive the South African economy, are essential to job creation and our country's future but, receive little support, especially when it comes to marketing.

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