

Challenges and opportunities for SMEs – PART 4

MARKETING AND COMPETITION

A series of practical articles by Chris Elphick, Breadfruit Consulting.

During this series I am looking at a number of issues relevant to all SMEs and identify both the opportunities and challenges associated with each issue. Topics to be covered include planning; staff and recruitment; customers and service; marketing; competition; new products and services; being well organised; collaborating with others; understanding and analysing risk; managing the money; going into business with family or friends; grants, loans and investment; expansion and growth; technology and exporting.

Today my focus is on marketing and competition.

One major challenge for businesses, especially smaller ones, is not to be a well-kept secret! It is easy to put all our effort into creating the business and forget about the need to sell what we are doing to others.

Marketing presents a number of challenges to SMEs – to do it effectively we need confidence, time and persistence. We do not necessarily need to spend lots of money or to create expensive marketing materials.

We need to be clear who we are selling to and have simple strategies to reach them – no SME is marketing to the whole world! Target your marketing efforts! If you are selling a product or service to school children then work out how you are going to get your message to them. To do that effectively we must really know and understand our market – who are they, how do they think, what needs do they have that my business can satisfy? That means we must invest time – time that is used to effectively market our business needs to be seen as an investment in the future.

Some business owners feel unsure about marketing so they might do nothing or ask someone to do it for them. If you do use a third party, maybe to write brochures or create a website, make sure they really understand you and your business and work alongside them.

When marketing your business ask yourself, ‘how do we stand out in the crowd’? You need to find your USP – your unique selling proposition – something that you have or do that no-one else has or does. It is hard to market if you are the same as all the businesses around you. It might be something quite small or the difference might be you and your people.

When planning your own marketing strategy start by looking at what your competitors are doing. Competition is good in that it keeps us focused and alert, but we do need to understand it and we need to know how our competitors might be better than us. We can't do that by ignoring them!

The more successful you are in running your business the more competitors you are likely to have – success breeds success. Others will want what you have! Don't let competition frighten you. Use it to help you improve to be the best you can be. Sometimes you might turn a competitor into a collaborator and join forces on specific issues or activities.

If a customer approaches you with a query that you can't satisfy then be prepared to tell them where to go to get what they want, even if it is to a competitor. The chances are that the customer will remember that act of kindness and come back to you in the future.

SMEs need each other – we are not big enough or have enough resources to do everything on our own. Work with others to create joint marketing plans – two heads are always better than one!

Finally, we need to overcome the challenge of having the confidence to promote ourselves. In the Pacific we tend towards being quiet and unassuming but if we have a good product or service then we must tell others. If we tell others and they like it then they will tell others and do your marketing for you!

If you need help with marketing or understanding your competition or you want some feedback on your own practices, then please get in touch.

Chris Elphick is Partner in Breadfruit Consulting, supporting the development of a range of businesses and organisations in Melanesia and other parts of the Pacific. He is an experienced trainer, coach and business mentor and has years of experience of working with Small & Medium Enterprises. He and his partner Hazel Kirkham live in Vanuatu.

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