

Trends every SME should look into in 2023

Issued by [SME South Africa](#)

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Small businesses were hard hit during the Covid-19 pandemic, but SMEs are known to be resilient and have the flexibility to bounce back when hit with extreme circumstances. According to [Business Tech](#), existing debt, lack of cash reserves, outdated financials, no access to relief funding, and an inability to operate during the lockdown, forced the closure of 42.7% of small businesses.



In order to beat the statistics, there are a number of trends that small businesses need to be aware of in 2023 to help increase their chances of success.

Increased use of technology

The pandemic accelerated the adaptation of technology for small businesses. More and more customers have become accustomed to cashless and contactless transactions, and there is an increase in the use of online platforms and automation tools, while streamlining operations and improving efficiency. We have also seen growth in e-commerce and online sales, as more customers shop online. Statista predicts an annual growth rate of 9.2% in ecommerce revenue between 2020–2025.

Customer experience and personalisation

There is a paradigm shift from broad-based marketing to move towards hyper-personalisation and one-to-one communication with your consumers. Driving personalisation is rooted in a deep understanding of your consumer and using data to help inform and improve consumer satisfaction. This year SMEs will have to focus on customer experience and personalisation, as they look for ways to differentiate themselves in a crowded market.

Digital marketing and social media

Most businesses have had to move spend from traditional media channels towards bolstering their online presence. This means digital marketing is now recognized as an integral part of an end-to-end business strategy. Small businesses may need to focus more on digital marketing, such as social media advertising and content marketing, to reach customers and build a strong online presence.

Energy crisis

Load-shedding can be a killer for small businesses. It's estimated that load-shedding can cost South Africa over R4 billion a day. This can be devastating for small businesses. All kinds of businesses need power to operate, so it's important to know what kind of solutions exist to keep the power on. The right [tech tools](#) could prevent small businesses from closing during load-shedding hours, keeping you productive and earning revenue throughout the day.

Alternative funding

Many small and medium enterprises face the access to funding challenge. Many entrepreneurs struggle to secure funding

from two of the most common funding sources – the government and traditional banks, this is where alternative lenders can help fill the gap. Alternative sources would include merchant cash advance, asset or equipment finance, purchase order/tender finance, revolving credit, trade/stock finance and crowdfunding.

In order to better serve our community, we have implemented some changes on the [SME South Africa](#) website. We have multiple [business guides](#) with information that can help small businesses thrive in the upcoming year. We also want to help small businesses find more funding options which is why the [SME South Africa funding page](#) was created. SMEs can go online and submit their details to receive up to four quotes from companies who offer funding for small business startups in South Africa.

[Click here to find out more about SME South Africa's funding solutions.](#)

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