

Small business sales strategies to counteract the stress of the new year

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For many, the new year brings with it a chance to start afresh, but with new goals comes new stresses too. And what is more, the new year also kicks off with 'Janu-worry', the month that customers claim to feel the biggest pinch, and this goes for small and medium enterprises (SMEs) too. By the time February comes along, things start to improve, so it really is the best month to find one's stride.



"Many small businesses get off to a shaky start at the beginning of the year," says Rene Botha, area manager at Business Partners Limited, "but with a bit of careful planning, you can make sure you find your feet and hit the ground running as March, April and the rest of the year rolls in."

Botha goes on to share the following tips:

1. Understand how macroeconomic factors affect your customers

"SME owners are experts on their businesses, as they understand the ins and outs of cashflow management, seasonal sales movements and what their business' biggest challenges are," explains Botha.

"However, in keeping your eye on the microeconomics of a small business, you can miss out on the bigger picture. One of the best ways you can equip yourself to beat the stresses that a new year brings is to understand how macroeconomic factors will impact the buying power of your customers. The key is to leverage information, understand their frustrations, and find strategic ways to solve their pain points."

According to recent reports, fuel price cuts may ease economic pressures in the first few months of 2023, but high inflation and interest rates will keep South Africans under strain.

"Depending on the nature of your goods or services, the resulting price-sensitivity will affect your SME in different ways," she says.

2. Provide solutions for cash-strapped consumers

“If, for example, you’re selling groceries or household essentials,” says Botha, “be aware that price-conscious consumers are switching to cheaper brands to keep food on the table. Over the next few months, you should therefore opt to stock a few cheaper alternatives to popular brands. This may involve negotiating with your suppliers for discounted rates on bulk purchases of lower-priced alternatives. Alternatively, you could offer markdowns for bundled deals on popular brands or create a rewards system that lasts only for a short period and reward customers with a free product giveaway when they make their usual monthly purchases.

3. Cut delivery costs where possible

According to the 2022 South African Digital Customer Experience Report, more South Africans are abandoning their shopping carts when they are prompted to pay shipping or delivery costs.

“If you can negotiate with your delivery partner (for e-commerce SMEs) to offer free delivery or even make a few deliveries yourself within your local area, that would go a long way in ensuring you close the sale and your customers complete their journey with your business,” she says.

4. Focus your marketing efforts on communicating quality

In a price-sensitive market, value is king. ‘Value’ relates to how your customers perceive the worthiness of your product or service.

“What’s key to remember here is that ‘worth’ can be thought of in monetary terms, but also in terms of what the product adds to a customer’s quality of life,” says Botha.

“So, if you can’t afford to compete with your competitors on price over this time, push messaging around the quality and the long-term value of your offering and bring this messaging into all channels of your marketing strategy.”

5. Bring urgency back

Creating a sense of urgency is something marketers always emphasise as a way of driving sales. Over the festive period, this may have been a strategy used to boost revenue ahead of special days such as Christmas. But, what about the after-Christmas and January shopping slump, when customers have grown weary of the frenzy and tell themselves they can always ‘buy your product or service next month?’

“The first few months of the year are the perfect time to host flash sales, pop-up stores, limited time offers and last-of-season promotions as a way of mitigating the ‘I’ll buy it later’ rhetoric. This is the ideal time of year to sell excess or old stock that might not have moved fast enough during the previous year – offering these products at reduced prices for a very limited time might be the best way to simultaneously boost sales and refresh stock levels,” concludes Botha.

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