

9 Challenges Small Businesses Struggle With and How to Fix Them. Part 1

In the first few years of business, small companies come up against a lot of different challenges. Some are harder than others to overcome. According to the U.S. Bureau of Labor Statistics, 20% of small businesses fail by the end of their first year, by the end of their fifth year 50% and by the tenth year 80%.

1. Finding Customers

This first one isn't just a small business problem. The marketers at well-known companies like Apple, Toyota, and McDonald's don't just sit around waiting for the leads to come in. Even the biggest, most successful companies have people working hard every single day to find new customers.

For small businesses, the challenge is even more significant. How can you find customers when you're not a household name and there are so many channels to focus on for acquisition? How do you know what to prioritize?

Acquisition costs are incredibly high, and small businesses may not have the same spending power as larger, more established businesses. In fact, the cost of acquiring new customers has increased almost 60% over the past six years. If this is something you're struggling with, you're not alone: 49% of companies report that customer acquisition is their primary marketing objective.

How to Fix It:

Finding customers starts with figuring out who your ideal customer is. Spraying and praying doesn't work for anybody — you need to make sure you're spreading the word to the *right* people.

Craft an idea of what your target customers look like, what they do, and where they spend time online? Once you've built your personas you can begin creating content that caters specifically to your target demographic and share it in the channels you know they're in with the messages you know they care about.

2. Increasing Brand Awareness

If your customers don't know who you are, how will they buy from you? Stats show that in terms of success 70% of brand managers say that building an audience is more valuable than direct sales and because of this their primary goal for running marketing campaigns is building brand awareness. This focus is largely because building brand awareness helps generate trust with your audience.

How to Fix It:

There are many ways to spread brand awareness but here are 3: PR, co-marketing, and blogging.

- **PR:** Public relations is less about paying for a spot in a news blog and more about focusing your voice and finding your place in the market.

- **Co-marketing:** Partnering with another brand will help you inherit some of their image and reputation and create brand evangelists outside your circle. It's a fantastic way to gain a large volume of new contacts alongside your organic marketing efforts.

- **Blogging:** Running a consistent, high-quality blog will also help you build brand awareness. Not only does a blog help drive traffic to your website and convert that traffic into leads, but it also enables you to

establish authority in your industry and trust among your prospects. It will also help you build an email list, which brings us to our next point...

3. Building an Email List

To move prospects along their buyer's journey to eventually become your customer, you need to build trust through consistent nurturing, staying top of mind, and continuously providing value.

Email marketing is still ranked as the most effective marketing channel, and for every \$1 you spend on email marketing, you can expect an average return of \$42. In addition, 59% of consumers say that marketing emails can either directly influence their purchasing decisions.

Despite these statistics, the average email marketing database degrades by about 22.5% each year. It is your job, or someone you hire, to find ways to maintain and constantly add fresh new email contacts to your list.

But, what many people call "building an email list" is buying an email list — and buying an email list is never a good idea. I repeat: *Never* a good idea. Not only will your email deliverability and IP reputation be harmed, but it's also a waste of money. If your current strategy is to buy or rent email lists, it's time to regroup and find better places to put those resources.

How to Fix It:

Instead of buying or renting lists, build opt-in email lists. An opt-in email list is made up of subscribers who voluntarily give you their email address so you can send them emails. These customers are already interested, and interested customers are more likely to make purchases, especially with nurturing.

You can also leverage social media platforms that you know your audience is already on, like Facebook or LinkedIn, and create enticing content that inspires them to sign up for your email list.

4. Lead Generation

Another problem most small businesses share is lead generation. Marketers report that this is a top priority, but, at the same time, 58% also indicate that lead generation is a key challenge that business leaders face. A successful lead generation engine turns website visitors into prospective customers and provides a steady stream of sales prospects while you sleep.

How to Fix It:

To make the lead generation process work for your business, you need to first optimize your existing website for conversions. Your website is the most essential tool you have for turning prospects into customers. Look through your website and ask yourself:

Do each of your webpages clearly guide visitors to take action, or do they leave them wondering what to do next?

