

New report: Local small businesses the lifeline of SA economy

Insurer Santam has released the third edition of its *Most Loved Local* report, which celebrates the country's favourite small and not-so-small local businesses and their significant role in our daily lives. An incredible 95% of consumers surveyed in the 2022 report felt it was essential to support local businesses.



Source: [Unsplash](#)

The independent survey, commissioned by Santam, was conducted by Arthur Goldstuck's [World Wide Worx](#) among 2,400 South Africans across the country to discover what turns customers into a business's biggest fans.

According to Gerald van Wyk, executive head of strategic business development at Santam, this is the most important finding from this year's survey.

"It was incredibly encouraging to see that 95% of respondents felt it was important to support local businesses. This support enables these establishments to continue contributing to the country's economic growth and recovery. Creating and supporting more micro, small and medium-sized enterprises (MSMEs) is crucial, particularly considering the high unemployment rate we are battling to reduce," says van Wyk.

To emphasise his statement, van Wyk points to recent statistics released by [The World Bank](#), which says that seven out of 10 jobs in emerging markets are created by SMEs. Additionally, the [International Finance Corporation \(IFC\)](#) estimates that MSMEs account for up to 90% of formal businesses in South Africa and employ 50-60% of our country's workforce, contributing no less than 34% to GDP.

Whether it's the butcher that knows their favourite cut of meat, the car wash they know will treat their pride and joy with care, or the building materials store that meets all their DIY needs – these are the businesses that add value to their lives.



As with its previous two reports, the insurer explored a range of establishments and services across 12 categories. The report's findings also revealed that a good overall experience (22%) was the most important factor that won consumers over and awarded businesses the title of "Most Loved Local".

Consumers also expect good service (17%), value for money (15%) and quality products (14%) from the businesses they choose to support. In addition, consumers said friendly employees who knew them by name were essential when asked what more they were looking for from their local businesses.

When asked what makes customers recommend their local spot, an overall good experience stood out vastly for the younger demographics, while going the extra mile was by far the most important factor for the older generation.

A key finding was that more than a third of respondents said experiences had become either more important (22%) or equally important (16%) to them as things since the pandemic. Furthermore, respondents said they want an authentic South African experience when exploring their communities and cities. This exposes an opportunity for neighbourhood butchers, restaurants, markets, stores and car washes to create a truly authentic local experience to attract and retain customers.

In addition to celebrating South Africa's favourite local businesses, Santam's *Most Loved Local* report also aims to empower business owners to find new and exciting ways to attract and retain customers.

To help South African businesses transition beyond surviving the impact of lockdown to thriving, Goldstuck advises local business to:

- Never compromise on experience – that includes good service, offering value for money, quality products, going the extra mile, employing friendly staff, and making customers feel like locals
- Greet new and existing customers with a friendly face
- Accommodate younger customers – they regard delivery services highly, so businesses should try meet them halfway by offering added convenience
- Be authentic – that means being more welcoming to customers by embracing local traditions
- Retail chains can benefit from creating a local experience – branches must tailor their space to reflect their community and offer a more personalised experience
- Allow people to connect – Customers want to support local businesses, whether that's local tourism or a food market, so offer customers an opportunity to connect with each other

"To ensure MSMEs grow into strong businesses that can continue to weather market forces like those experienced over the

past three years, we require more corporate citizens to empower local businesses by offering expertise and resources that may otherwise be out of their reach. Namely, professional networking and mentorship, business support services to help them navigate the increasingly complex regulatory environment," he asserts.

Read the full Santam 2022 *Most Loved Local* report [here](#).

For more, visit: <https://www.bizcommunity.com>