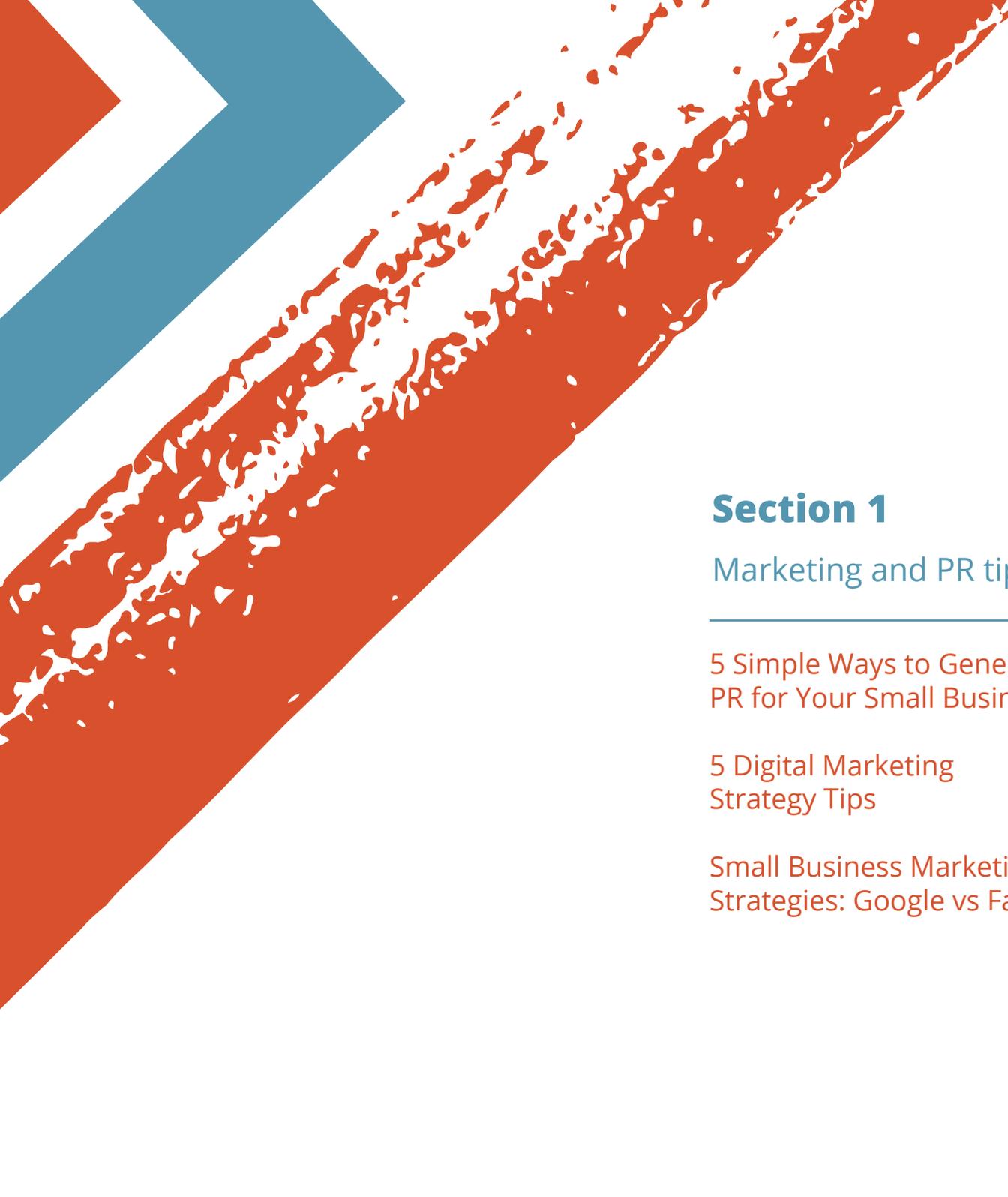




Marketing and Funding  
**Business Guide**





## Section 1

### Marketing and PR tips

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5 Simple Ways to Generate PR for Your Small Business

5 Digital Marketing Strategy Tips

Small Business Marketing Strategies: Google vs Facebook

## Section 2

### Funding options and how to get yourself in the best position to apply

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How to apply for a Business Loan

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What's a good credit score for a Business Loan?



# Section 1:

Marketing and PR tips

# 5

## Simple Ways to generate PR for Your Small Business

### How to Generate PR for Your Small Business

Public Relations is a form of information management that gets public exposure for your brand or product line and/or for yourself as a business owner. PR can help to shape the credibility of your brand and the way people perceive you and your business. The main purpose of PR is to share your message with the appropriate audience without having to pay for placement. Once you pay, it's called advertising, and that's an entirely different topic. The effective use of PR can benefit your brand enormously and help you to grow relationships with the media and, ultimately, with your customers.

01

#### Tell good stories

This might seem obvious – but remember the word “good” is extremely subjective. What you think is interesting or important might not be everybody's cup of tea. You need to find angles that are newsworthy and tell stories that your consumers want to hear. And remember to **keep it simple**.

02

#### Choose the right media for your brand

Find out what media your customers consume and focus your energies there. Many business owners want to be seen on the front page of the Sunday newspaper, or be interviewed on talk radio by the financial guru simply because those are the media they themselves consume. Remember, your customers might not have access to the newspaper, or even listen to talk radio.



03

### **Build relationships**

PR is a process; you need to work on building relationships both with the media and with your customers. Ultimately you want to become the person journalists call when they need information in your particular field of expertise. Be patient, be honest, be dependable and always be available.

04

### **Integrate with your marketing strategy**

There's no point saying one thing in your PR and another on, for example, your social media. Make sure your message is consistent across your advertising and communication platforms so as not to confuse your audience – or yourself!

05

### **Call in the experts**

If you don't feel comfortable or confident dealing with the media, speak to an experienced PR agency and see what they can do for you. A well-placed article or quote in a respected newspaper, magazine, radio station or blog can do wonders for both your business's brand and your own.



# 5

## Digital Marketing Strategy Tips

### Tips for setting up your SMEs digital marketing strategy

Many business owners who added their SMEs to our Open for Business listing told us they have started operating online over the past few months. But it can be overwhelming if you're not sure how to get started.

01

#### Develop your brand message

Before you go online, you need to define what makes your business stand out.

Michael Rampjapedi, Digital Marketing Manager at Lulalend, says a competitor analysis could help create your brand's unique messaging. "Identify potential competitors and differentiate yourself. Based on your product, understand how you're providing value and how you're different."

In an article for Hubspot, Kathryn Wheeler **writes** about the role of a memorable brand identity that becomes the face of your business and builds credibility and trust. Keep two questions in mind when you're developing your messaging, suggest Wheeler:

- **What makes your business unique in your industry?**
- **What can you offer your customers that others can't?**



**“They might be appearing first in Google search ads, but they might be losing money. Their bidding strategy might be different.”**

**Michael Rampjapedi**, Digital Marketing Manager at Lulalend

## 02 Don't copy your competitors

Now, while it's a good idea to understand what your competitors are offering, you should avoid copying other companies, said Rampjapedi. “You don't know the internal metrics your competitors are using. They might be appearing first in Google search ads, but they might be losing money. Their bidding strategy might be different.”

“Their mission might be to dominate market share in search. As a new business who wants a profit, you can't be that aggressive if you are not profitable on that sale or on lifetime value.” Adopt a similar approach to content

creation. While a tool like Buzzsumo can show you the most popular content for each topic, you should remember that those sites might be established, so have an existing audience and strong credibility. Instead, pay close attention to your own results.

Monitor your web traffic using Google Analytics and study engagement on social media. Most platforms, like Facebook, Twitter, and LinkedIn, offer built-in analytics.

03

### Get professional help

Managing your online presence can be daunting. Here's where a little bit of professional help can make all the difference.

Vermaak suggested hiring an expert or agency to set up your business's Google Adwords and Facebook Ads account, even if you plan to run these yourself.

"An upfront investment in professional help can save you a lot of money in the short

and long term."

"Be upfront and explain that this is your plan. This allows you to get your Adwords account structure and all of your tracking set up correctly.

Rampjapedi said some agencies offer free introductory consultations. Consider finding an agency that specialises in your niche, e.g. e-commerce or business-to-business.

04

### Create quality content

Fortunately, you'll set yourself apart if you create quality content that responds to your target audience's questions.

Rampjapedi encourages SMEs to use Google's free Keyword Planner to discover the kinds of questions people were asking in their online search. Next, create content that responds to those questions.

Other free tools you can use, include:

- **Answer the public**
- **Ubersuggest**

Finally, plan for your digital marketing strategy and listen to your own customers. Which questions do they frequently ask you? What are people talking about in industry forums?

There's a lot of content out there. According to **Internet Live Stats**, each day :

2M

blog posts written

35M

photos uploaded to Instagram

322M

tweets posted on Twitter



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## “Think about how much you are willing to pay for a lead”

**05** **Run small tests and track them**  
And once you're ready to launch your campaign, you should start small, said Vermaak. “Have a test goal in mind – think about how much you are willing to pay for a lead/sale based on conversion rates and costs. Then take a small budget, look at your targeting options, see how one campaign does vs. another platform or other targeting.

When you start with a small budget, you also give yourself space to iron out the kinks. Focus on the path to conversion. Can it be simpler, faster, clearer? If it can, you will save money on your acquisition costs.”





vs



# Small Business Marketing Strategies: Google vs Facebook

## Small business marketing strategies: search and social

Search and social are the cornerstones of most small business marketing strategies. No matter what industry you're in, chances are your customers are online.

It's estimated South Africans spend more than 9 hours a day online, according to this [report](#). Vermaak explained the main differences between social media and search: "The fundamental difference between the two is the basis of their targeting: how you tell each platform who you want to speak to.

"For search, this is based on keywords that tell Google what search terms you want your business to show up for; you are targeting people who are already looking for what you

do or sell. For social media, you tell Facebook, or even LinkedIn, which types of people you want to show your ads to based on who your customer is and what their interests are." Search is an "always-on" type of media, explained Vermaak.

This is because your audience is self-renewing; as new people start looking for your business or its products you want to be visible as long as you are profitable when considering your ad spend. In addition, both platforms allow you to narrow or expand your targeting based on age, gender, location, and device.

**"The fundamental difference between the two is the basis of their targeting"**

Stacey Vermaak, Marketing Consultant at Lulalend.



You can even include how your audience has interacted with your business before. And this targeting will help you to achieve better performance from your campaigns.

“For both, you need to install conversion tracking or use UTM tagging to understand if your campaigns are profitable. However, understanding the primary targeting for each allows you to understand the fundamentally different ways the two work.”

## Setting up your small business in search

Getting started with building your presence in search begins with finding the right keywords, said Vermaak.

Once your campaigns are live, it is very important to compare your keywords with your Google Adwords' **search query reports**. These reports are available in your account and detail which searches are triggering your keywords, allowing you to expand or refine your targeting.

“This will help you be visible for the most relevant searches that add to your business profits. Using your search query reports to refine the searches

For more on conversion tracking, read this: <https://sproutsocial.com/glossary/conversion-tracking/>

To create UTM tracking check out this tool from Google: <https://ga-dev-tools.appspot.com/campaign-url-builder/>

you are visible for becomes even more important to avoid wasting money and to help you achieve Return on Ad Spend (ROAS),” said Vermaak.

Once you start developing ads, you should make sure they're relevant to your customer's needs. When optimising your advert your aim is to tell a searcher why your product is right for them. You want to give them as much information as possible so that they are hopefully clicking through to find the product or service they need,” said Vermaak.

Rampjapedi said it was worth hiring a professional to set up your website to make sure your technical SEO is correct. This included, making sure:

Missing this step could be detrimental to your rankings. "When SEO is set up correctly this allows you to use Google Adwords DSA campaigns, said Vermaak.



## Using Facebook to find new customers for your small business

Most businesses are on Facebook. By 2023, it's expected 19.8 million South Africans will use Facebook, according to [Statistia](#).

Vermaak said approaching FB was different: "For Facebook, you are looking for the right audience targeting that finds the people who are looking for, and will engage with your product. Facebook has many targeting options that you can use to define and test audiences, from interests to demographics."

Consider using customer information in other ways to reach new customers.

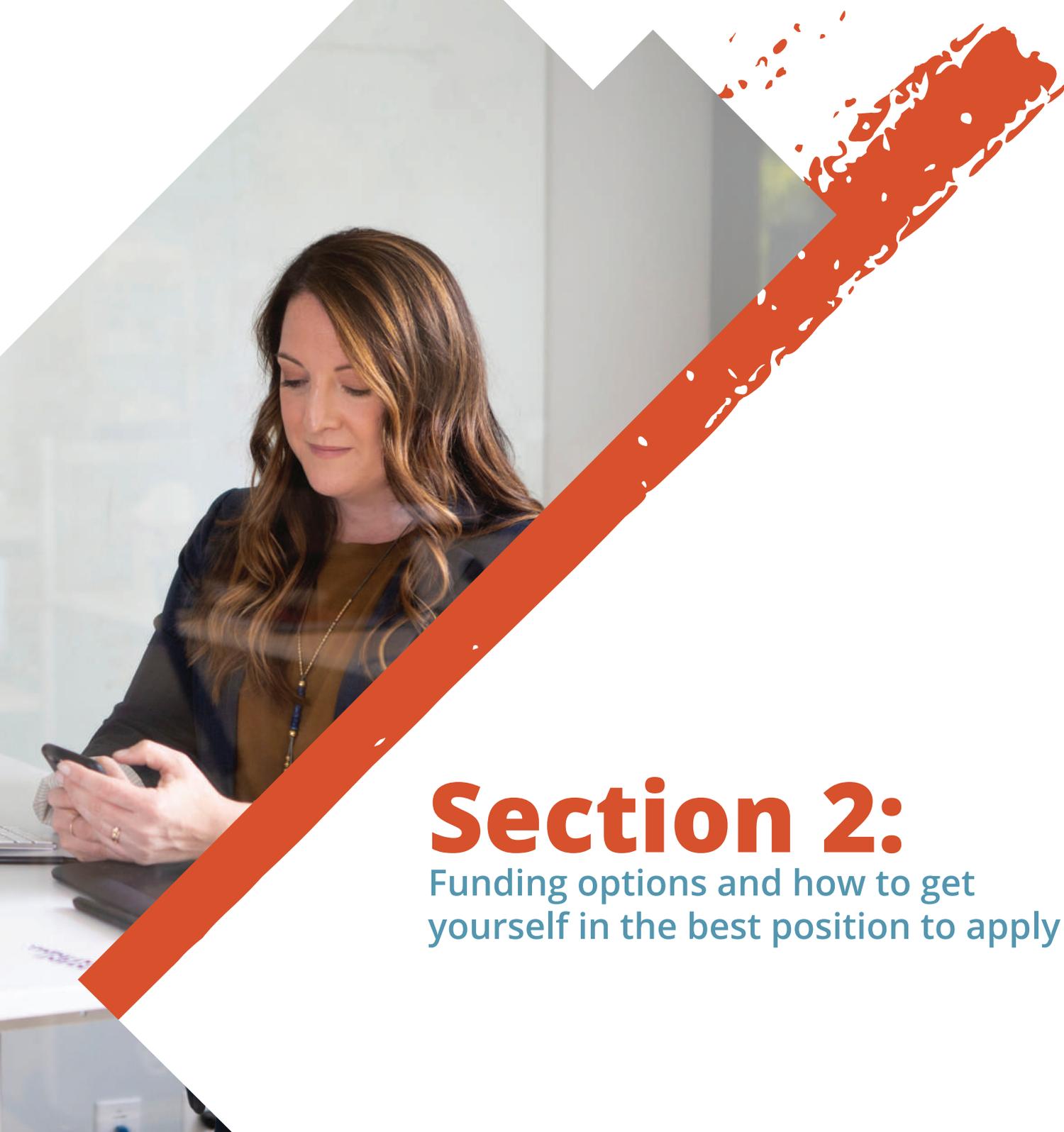
"You should at least test remarketing to offline customer lists, site users, site converters, page and advert engagers, and test acquiring new customers using similar audiences based on each of these.

"What this means is your primary targeting is a group of people who generally remain fairly consistent. The goal is to find the audiences that work for your business.

Because the audience remains fairly consistent, you should be creative with your content.

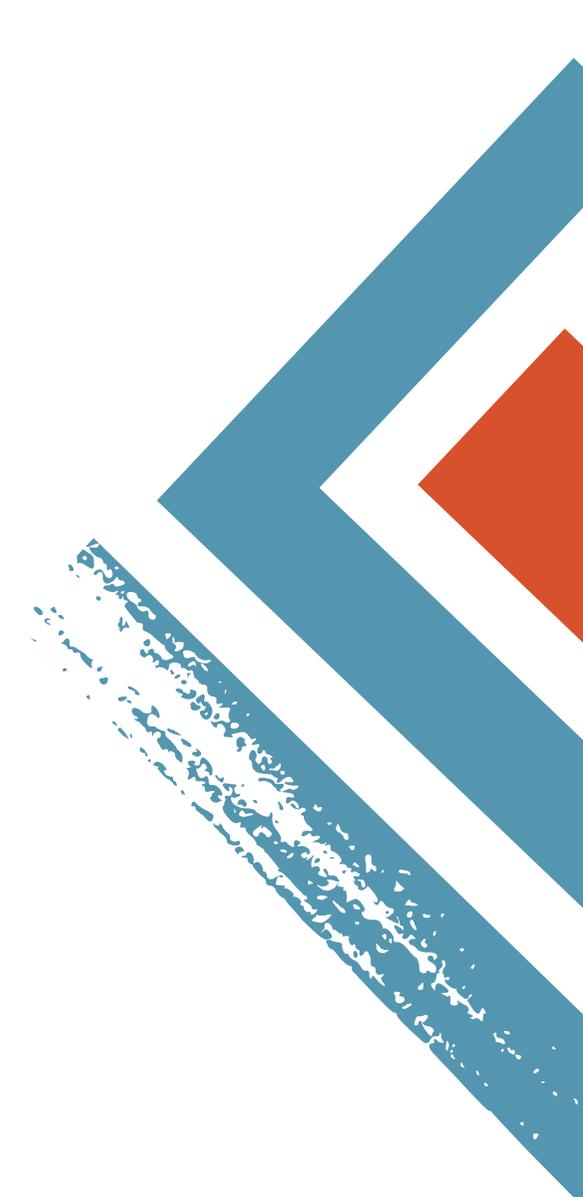
"You need to be constantly changing up and testing your messaging, with images, videos, and carousel ads. Consider combining ads featuring different campaigns, products and messaging. Invest in boosted posts to keep the audience engaged. "

"This is very different from paid search which is generally a self-renewing list as new people come into the market for your product or service."



# Section 2:

Funding options and how to get yourself in the best position to apply





# How to apply for a Business Loan

## Decide on what you need from a business loan

So, you need a business loan. If you're battling to find the right one, you're not alone. In South Africa, SMEs can choose from 146 funders offering 328 different types of business loans and funding, according to this [study](#).

You might think all that choice makes getting a business loan easy. In truth, it's even harder. Too many businesses are rejected because they're applying for the wrong type of finance, suggests research. Figuring out your funding need is the first step in the business loan application process, explains Garth Rossiter, Lulalend's Chief Risk Officer. "You want to use your business loan for the right reasons: to grow your SME. Start by understanding your business's financial needs."

Begin with the following questions, said Rossiter.

- **When do I need funding?**

Are there spikes and dips in business activity? Perhaps, your business is seasonal. Study the forces that influence when you'd need **business finance**.

For how long do you need the loan? Do you only need funds to cover late payments or service a new contract before you get paid, or will they be needed over a longer term?

- **Why do I need funding?**

Aside from startup costs, the common reasons SMEs seek business loans are for equipment finance and business expansion.

- **List the eligible business loan providers**

Take the insights you gain during the first two steps and start listing the financial institutions who offer the business loans you need. Each of these steps will help you clarify your goals, assess your business's financial health, and manage any shortcomings.

## How to qualify for a business loan

If you search for a business loan online, you'll be confronted by a staggering number of results: 1.5 billion, to be exact.

Although banks still dominate as finance sources for SMEs, the International Finance Corporation (IFC) finds other business loan providers have started to appeal to business owners who are searching for fast, easy ways to access finance.

Business loan requirements depend on the lender. To speed up the process, speak to the funder

before you apply, **recommends** the South African Enterprise Development Agency (SEDA).

“Before you submit an application for finance, talk to the lender about exactly what sort of information they require – so that you can get a response to your application as quickly as possible.”

Below are the main criteria lenders will assess or require from applicants:

01

### Credit Score

Understanding your business credit worthiness is a great practice, but it's particularly important if you're planning to take out a business loan. Lenders will base their decisions, along with other factors, on your credit rating.

Once you submit your business loan application, lenders will access data about your credit history from the credit bureaus.

There are indicators that influence your credit rating, and these include:

- Your current levels of debt
- Your payment history



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## 02 Collateral

Has your business loan ever been rejected because of a lack of physical collateral? A lack of collateral is among the most common problems facing SMEs on the hunt for a business loan.

Finfind provides an [overview](#) of the legal obligations that come with collateral for business loans.

Examples of physical collateral include:

- Equipment
- Real Estate
- Vehicles
- Stock

Because SMEs are perceived as a higher credit

risk, banks typically demand valuable assets as collateral. Plus, the lender will often value your assets for far less than they're actually worth. That's because the funder will be saddled with the costs of selling the assets.

The problem with this approach is obvious, explains Garth Rossiter, Lulalend's Chief Risk Officer, "Many SMEs don't have access to physical collateral. But they have good cash flow."

No collateral? You still have options. More and more funders are offering unsecured business loans or will waive the need for collateral if you have a purchase order. Most fintech lenders don't require collateral.

## 03 Time in business

Nearly every type of business loan provider cites time in business as a critical requirement. For traditional lenders this typically excludes

business owners who have only been operating for a few years. Fintech providers usually only require a minimum of 1 year of trading.

## 04 Annual revenue

Most business loan providers will have set minimum revenue requirements. This differs from

lender to lender, but again is often significantly lower for Fintech lenders.

## Applying for a business loan

Once you've confirmed that you meet the minimum requirements a lender has, it's time to submit your application. You need to gather all the correct documents. And while this sounds like the easy part, it's one of the biggest reasons business owners get declined.

It's easy to see the business loan application process as an obstacle: a barrier between you and achieving your goals. But, it doesn't need to be that way. Start by gaining insight into your business.

**“Start by gaining insight into your business.”**

When and why do you need cash flow? Once you've successfully answered those questions, you'll be in the best position to secure a business loan that propels your SME forward.





# Have you considered a Business Credit Facility?

If you've ever wondered about how you can keep your finances above board without being stuck with a fat bill of fees, perhaps you should consider a credit facility.

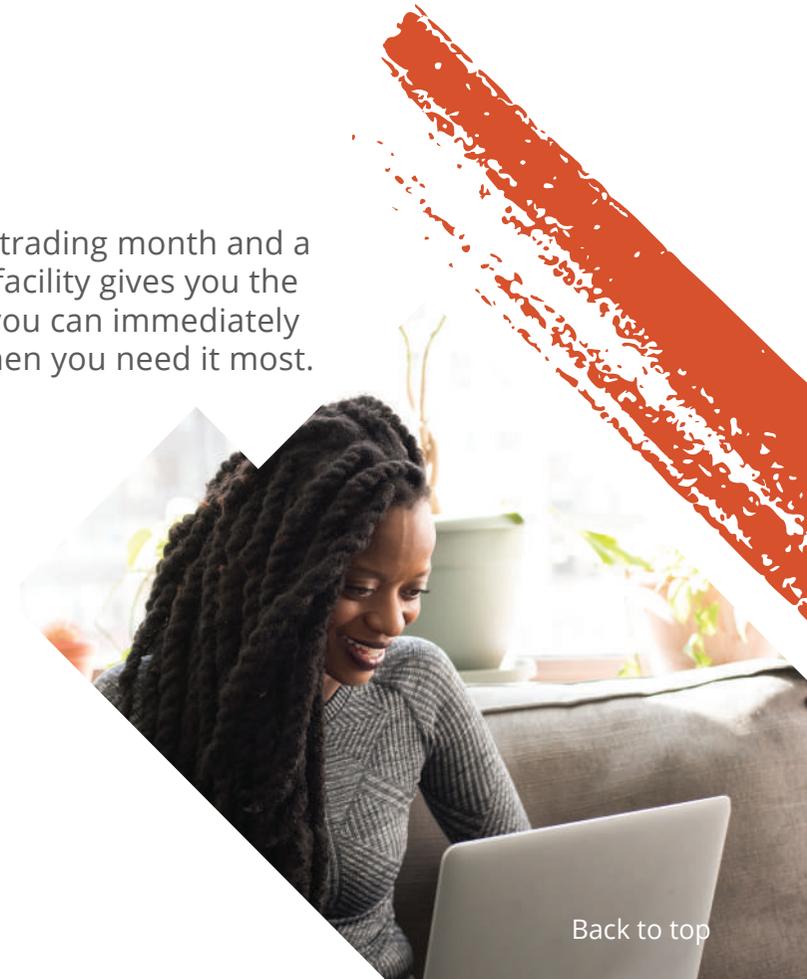
## What is a Business Credit Facility?

Simply put, it is instant access to a line of revolving credit, without needing to reapply. It is a flexible financing solution that allows you to withdraw, repay, and withdraw again. For a small business, easy access to working capital can mean the

difference between a good trading month and a bad one. A business credit facility gives you the peace of mind of knowing you can immediately access business funding when you need it most.

## How does a Credit Facility work?

You access your business line of credit when you need it, rather than reapplying for new business finance each time. No more unnecessary paperwork when you need extra funding; simply access funds at the click of a mouse when you have a revolving loan.



Here's why more business owners are using Lulalend's credit facility to grow:

- **Instant access to funds whenever you need it**
- **You only pay for what you use**
- **There are no monthly account fees**
- **No early repayment penalties**

And because the facility works like revolving credit, the capital amount becomes available again after every repayment. As your business grows, the amount of credit available in your revolving loan also increases.

To qualify, you must have been in business for at least one year and make a minimum annual revenue of R500 000.

## What does it cost?

We've simplified the lending process with our 6 and 12 month plans.

View our [fees calculator](#) or see an example of the costs.



## How to apply for a Credit Facility?

Complete an online **application** with Lulalend in 3 simple steps.



To ensure a **quick and easy application** process we only require basic information about your business. You'll only need to provide the following:

- Basic personal information
- Basic business information
- Most recent 3 months bank statements or transactional information



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# What's a good credit score for a Business Loan?

When you apply for business finance, you want to show funders you're willing - and able - to repay the loan. Lenders will check your credit score, along with other financial information, to determine your risk. But there's more to the story when it comes to credit scores and business loans.

## What is a credit score?

Your personal credit score is a three-digit number that represents your creditworthiness. Lenders use this figure to predict your ability to repay your loan. As a rule, higher scores mean lower risk. Your personal credit score is unique to you and is influenced by a few factors, including:

- Your current debt
- Your payment history
- Length of payment history

Of these, paying your debt on time is one of the best things you do to build a strong personal credit rating, said Taryn Crouster, Senior Credit Analyst at Lulalend. Based on these factors, you will be assigned a score by the credit bureaus.

## What's a good credit score for a business loan?

For business loans, lenders evaluate both your personal and business credit profiles. Even though your personal credit score is only one of several factors lenders consider, a poor personal credit rating might hurt your business loan application. (Visit our [business loan guide](#) for more details about personal and business creditworthiness.)

Each bureau has a different way of calculating your credit score, but here's a general guide to personal credit ratings:

**700+**: the best rating you can achieve

**660+**: a good credit rating

**620 to 659**: you might struggle to get a business loan

**Below 620**: most lenders will see this kind of score as high-risk

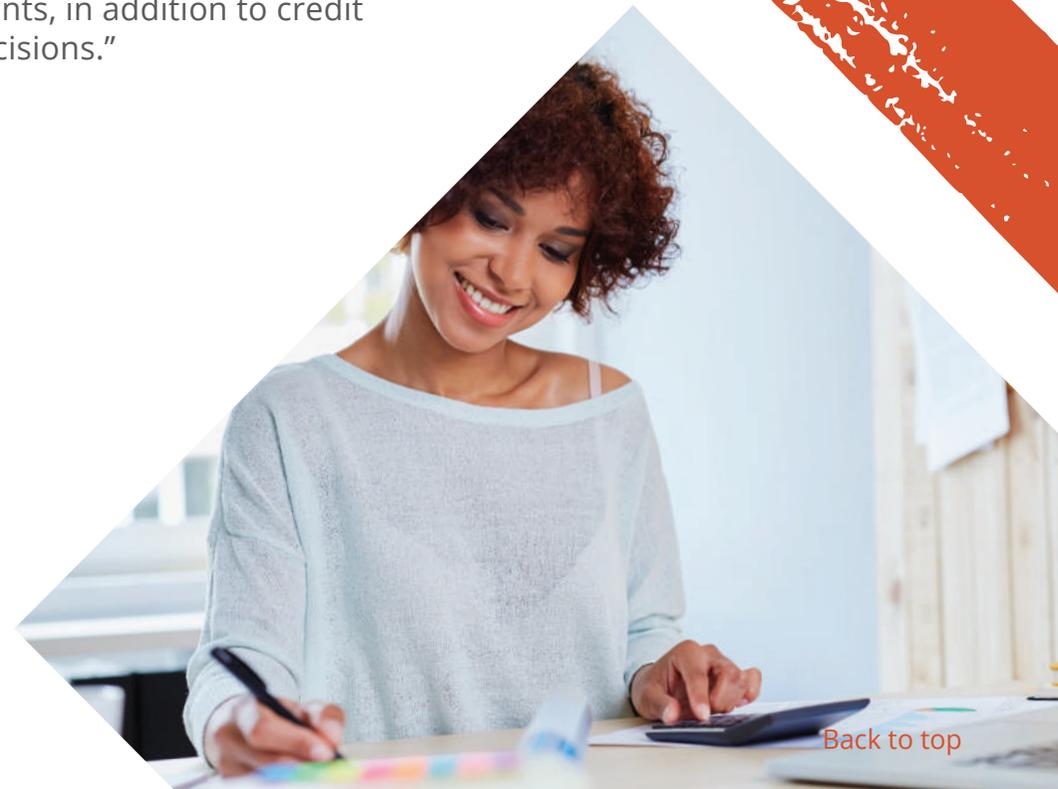
For most traditional lenders, your personal credit score could mean the difference between your business loan application being approved or rejected. These lenders want a track record of repayments before approving your application.

But what if you don't have any, or a limited, credit history? Garth Rossiter, Chief Risk Officer at Lulalend, said fintech funders reviewed alternative data sources.

"We assess the applicant's ability to repay and the willingness to repay. And we use a number of data points, in addition to credit scores, to make decisions."

**"We assess the applicant's ability to repay and the willingness to repay."**

**Garth Rossiter**, Chief Risk Officer at Lulalend



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## Tips for improving your personal credit score

If you want to give yourself the best chance at building a positive credit rating, try these practical tips.

- 01 Avoid defaults**

You should always aim to make your payments on time, consistently. Perhaps your business is struggling because of unexpected threats in the global economy. At some stage, most SME owners have experienced these kinds of challenges. Those are difficult, stressful situations and it's tempting to take cover until the storm passes. But late or missed payments will work against you, said Crouster.

"If you're in a situation where you can't make your payments, let the creditor know beforehand. You'll be able to make an arrangement, which is far better than a default listing on your credit report."
- 02 Pay SARS**

Unpaid taxes will drag your credit score down, explained Lindiswa Tyhali, Senior Credit Analyst at Lulalend. And trying to dodge the South African Revenue Service (SARS) could end up damaging your financial profile. For instance, SARS could issue a **court judgement** against your name. Once that happens, it's public information that shows up on your credit profile for years. Business owners pay a provisional tax twice a year.
- 03 Avoid bad debt**

Paying off debt establishes a positive credit history. So, some debt is necessary. But there are types of debt to avoid. Tyhali said short-term loans that fall under the National Loan Register (NLR) are considered bad debt, because they indicate to lenders that you might be having cash flow issues.

**04** **Limit credit applications**  
Each time you apply for credit, you're giving the lender permission to pull your credit report. These inquiries stay on your profile. Beyond that, each query reduces your credit score by a single point.

**05** **Don't open too many new accounts**  
Racking up large amounts of credit quickly is a red flag, said Crouster: "Taking too much debt over a short period of time might be a sign you're struggling financially."

## How to get your free credit score

Are you ready to improve your credit score? If you haven't already checked your credit rating this year, that's a great place to start. You get one free credit report per year.

### Here are popular credit bureaus

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