

The State of SMB in a Post-COVID Era

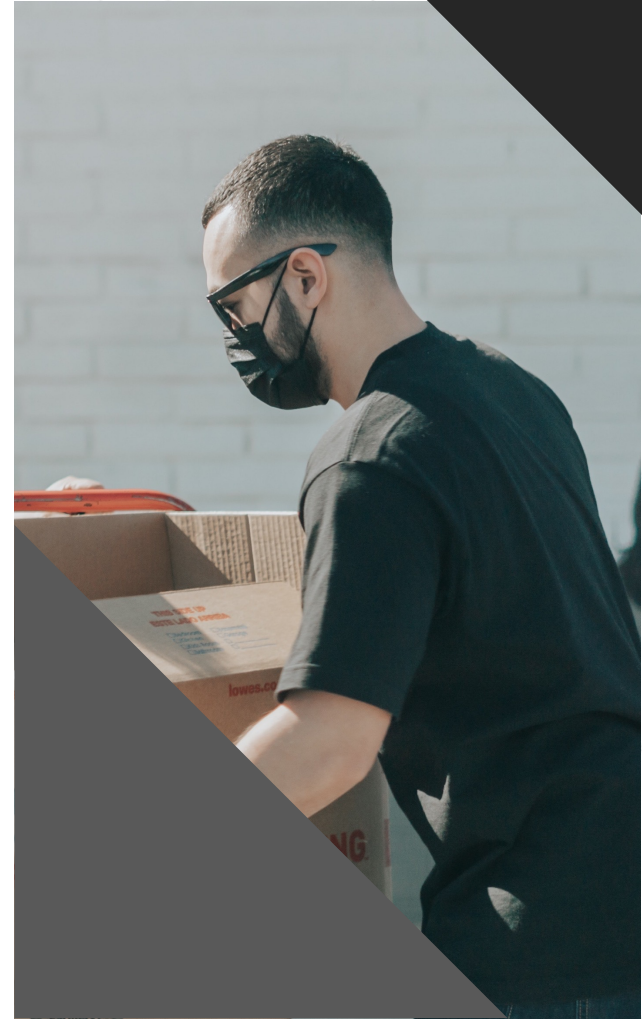


The State of SMB in a Post-COVID Era

Covid-19 had a significant impact on nearly every industry. There were major shifts in consumer demand. Brands that sold DTC or utilized delivery services saw rapid growth. And supply chain issues emerged across the globe.

But is the state of SMB forever altered, and how can emerging SMB brands take advantage of these changes?

Keep reading to learn more about the current state of SMB, see some projections for the future, and get tips on how to future-proof your growth.



The Post-COVID SMB Landscape

For three years, COVID-19 has played a major role in every aspect of our lives. It has shifted consumer behavior, caused major issues in supply and demand, and forced business leaders to adjust their plans often and quickly.

However, in 2022, many authorities and groups have shifted to an endemic approach to "living with Covid". Though this has offered some relief to SMBs, the markets are still rife with issues to overcome.

In fact, our recent NielsenIQ 2022 Consumer Outlook online survey reveals that 74% of global respondents believe that their priorities, and resulting shopping habits, have been impacted to some degree by COVID-19. This includes 30% who feel they have a totally different set of priorities than they had in 2019.

Here are a few issues that are still impacting the market and look to continue for some time:

- Global and local inflation
- Supply chain issues
- At-home shopping is the new norm
- Economic divides change customer bases
- Health and wellness are hot

How to Grow Your SMB Post-COVID

It's true that there are many issues that SMBs will continue to face in the post-COVID world, but continued growth is still possible. Emerging brands are well-suited to take advantage of these shifts and act to future-proof their growth.

Here are six tips on how to succeed in 2023 and beyond:

Focus on the Customer

Consumers will continue to scrutinize the necessity of products, and items that do not speak to their specific needs may be left behind. Manufacturers and retailers must ensure that portfolios allow for consumers' changed circumstances, focus on specific product benefits that consumers seek, and offer items they can afford. Speak with your retailers, use demand forecasting, and survey your consumers to better understand their changing needs. Then, do what you can to meet these needs or seek out new customers as needed.

Restructure Your Supply Chain

Every business and industry has unique needs and goals regarding supply chain management. Many brands adopted a supply chain model that was the easiest or that their suppliers were already using. Unfortunately, COVID has shown many companies that their model is inefficient or incapable of adapting to shifting demand. You can eliminate wasted resources and streamline processes by taking a critical eye to your model and processes. This will allow you to meet customer demand and maintain margins. You should also take the opportunity to speak with your suppliers and retailers to learn what they consider to be the most substantial weaknesses in your chain.

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Move Online

Interestingly, one significant impact that COVID-19 had on the small business landscape was opening new avenues for SMBs to sell their goods through. Brands that sold their goods through multiple channels were more able to shift their investments and inventory to those that worked and maintain or grow revenue. With online shopping continuing to grow at a breakneck pace, emerging CPG brands have ample reason to sell online. Selling DTC and B2B gives you more opportunities to increase sales and avoid losses when there is a sudden shift in demand. Additionally, many consumers are choosing to continue to shop from home as often as possible, allowing you to serve your consumers in the manner they prefer.

Optimize Your Cash Flows

Just like your supply chain, your cash flow needs to be carefully monitored and controlled to avoid losses. In the post-COVID era, most businesses need to make adjustments to get back on track. Start by taking a good, hard look at your current cash flow and comparing it to your pre-COVID numbers. Next, you need to understand your assets, inventory, savings, debt, and more. With these numbers, you will be able to more accurately forecast the next 3-6 months if you weren't to make any changes. Then, you should build out a plan to better control this flow and adapt processes and investments to create a better future for your brand's growth.

How to Grow Your SMB Post-COVID

Follow the Data

We can't say this often enough, but CPG brands need to use data in all their decision-making. You can put your brand into a cycle of continuous innovation and development with CPG data analytics. This will streamline your operations and sales methods and allow you to better target your market. You can identify emerging trends, target weak competition, and impress retailers to continue to grow your brand throughout the post-COVID era. Luckily, with Bygger, powered by NielsenIQ, you can have all the data you need at your fingertips. Bygger provides breakdowns of product and category attributes in easy-to-digest reports. Best of all, we'll show you how to leverage this information for your action plan going forward.

Stay Agile

One of the biggest opportunities for emerging brands to succeed where large brands falter is their ability to be agile. Changing directions for a large brand is like turning a cruise ship. It's possible, but it takes a long time and requires a lot of work. As an emerging brand, you're piloting a speed boat. Quick turns and fast reactions mean you can adjust to the market early. Pay attention to the shifting markets, and don't be afraid to act quickly and decisively. Don't give up on your core values or branding; the market will tell you what they care about going forward. If you react early, your products can gain shelf space, and your brand can gain market share before the big names can react.

The Future Offers New Avenues of Growth

All research shows there is the potential for continued behavior polarization or disruption as consumers with different mindsets approach the world moving forward. With employment interruptions, supply chain breakdowns, and varying recoveries, many signals caution that we may have yet to see the last twist in our COVID-19 experiences. This means agility and a nimble mindset are critical for growth.

An essential component of that nimble mindset will be to track and anticipate shifting consumer outlooks through super-charged change.

Investing in retail data analytics will allow you to better track these shifts and focus your efforts and money. With Byzzer's reporting solutions, you can have all the data you need at your fingertips. Reach out to our team, so we can help you build a customized paid plan with Byzzer. You can have this data and much more available for any need that may come up. [Request a demo](#) or reach out to our sales team today!

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