



Small Business, Mighty Marketing:

A pulse check on Indian SMB marketing in 2023

LinkedIn



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01

SMB Marketing Spend in 2023

SMBs are still feeling optimistic about their marketing budgets despite the economic uncertainties and are shifting their approach to more innovative marketing solutions to maximise effectiveness and ROI.

New and emerging trends in marketing technology such as AI and digital automation are allowing SMBs to explore the adoption of creative new digital marketing solutions to address their business needs.

3%

Optimism is high, with only 3% of SMBs planning to reduce their marketing budgets in the next 12

1 in 3

SMBs are shifting their marketing spend towards digital solutions in 2023

What do we know about SMB investment in marketing in 2023?

Optimism is high and as a result the outlook for marketing spend looks strong - in fact, only 3% of SMBs are planning to reduce their marketing budgets in the next 12 months, with nearly (68%) actually planning to increase their marketing spend.

The study found that SMBs are dedicating a good proportion of their overall budget to marketing in 2023, as they invest to bring more customers and sustain growth. In fact, 38% of SMBs are planning to allocate up to 25% of their revenue to marketing budgets, and 1 in 3 are shifting their marketing spend towards digital solutions in 2023.

68%

Nearly seven in ten (68%) SMBs believe that their marketing budget is likely to increase over the next 12 months, with 2-in-5 (38%) planning to allocate up to 25% of their revenue to marketing budgets.

26%

The annual SMB marketing budget is estimated to sit at a significant 26% of annual business revenue

31%

Over a third of SMBs (31%) are confident that their team will still achieve their KPIs in 2023, despite the tough economic conditions



2022

Business Objectives and Priorities

What are SMBs' strategies for staying ahead of the curve?

Looking ahead into the rest of 2023, SMBs are looking to optimise their available marketing budgets by focusing on their biggest business priorities, both domestically and internationally, with growth being the key recurring theme. Overall, SMB marketing activities and spend are driven by threats to

76% Revenue

54% Operation costs and cashflow

36% Manpower

These concerns are reflected in the top objectives for SMBs in 2023:

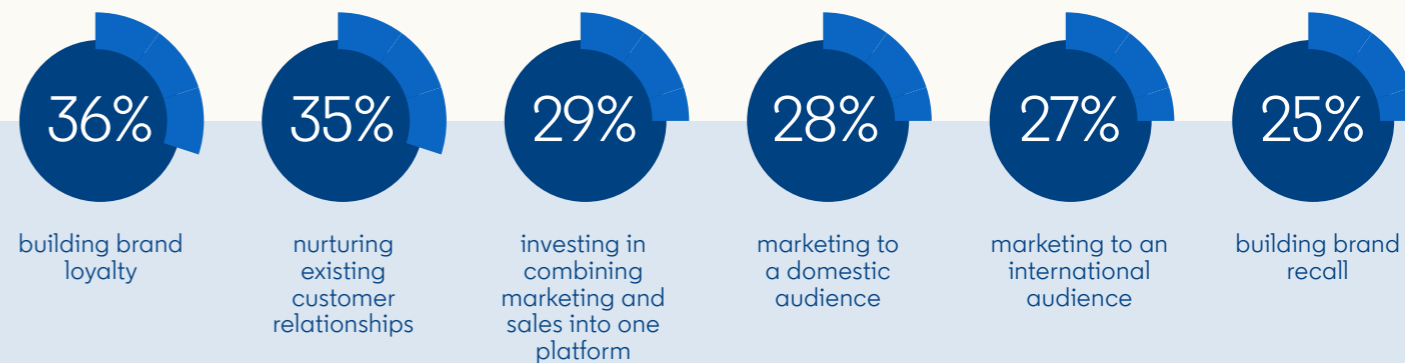
44% expanding their customer base

43% increasing business revenue and market share

42% offering new products and services

41% expanding their business with more locations or ability to service more customers

Beyond deploying immediate strategies to get ahead, SMBs are still considering longer term objectives that support the longevity of their business, including:



Almost half of (46%) SBDMs surveyed agree that creative solutions are very important to their marketing strategy but 91% say they face challenges with creative marketing solutions.

Tip: As per the 95-5 rule, at any given time, 95% of customers are out-of-market, and only 5% of customers are in-market. Invest in lead-generation efforts targeting the 5% of people who are "in-market" today, but don't forget to invest far more heavily in reaching the entire category with brand advertising that resonates with future buyers, and thus generates future cash flows.

03

Marketing Tactics Currently Deployed

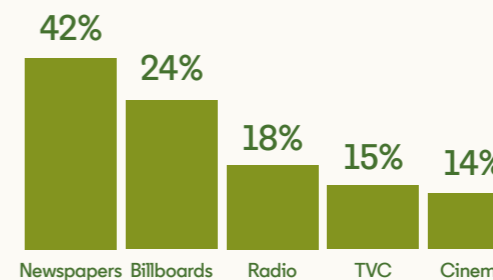


Through The Line (TTL)



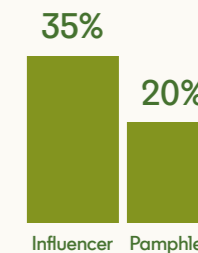
TTL marketing is the most widely adopted marketing method, with over four in five (84%) SBDMs claiming to adopt these methods, specifically paid social media (55%), organic social media (55%)

Above The Line (ATL)



ATL marketing is also widely adopted, with three in five (62%) SBDMs claiming they/ their business uses these methods. Common ATL marketing methods used include local newspapers (42%), followed by billboards (24%), radio (18%), TVC (15%) and cinema advertising (14%).

Other

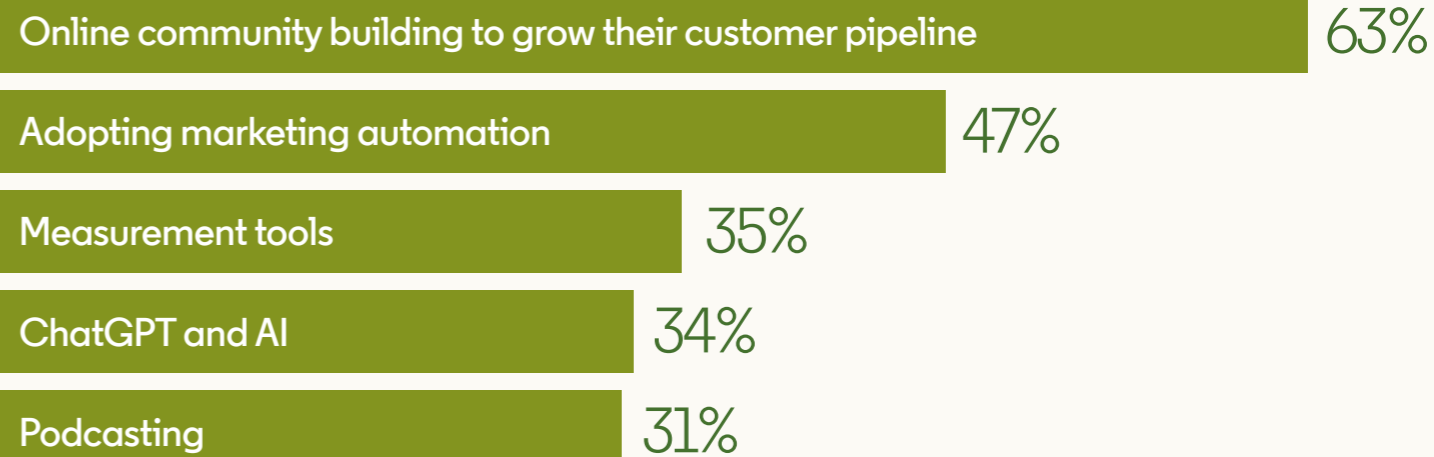


Other marketing methods typically use are influencer marketing (35%) and Below The Line (BTL) marketing i.e. pamphlets (20%).

90%

of SMBs have started and/or will continue to invest in marketing-tech tools such as marketing automation, Artificial Intelligence (AI) and online communities as part of their marketing budget.

What are they investing in?



Ashutosh Gupta,
India Country Manager,
LinkedIn

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Building memorable brands and harnessing creativity is critical for small business marketers, particularly in these challenging conditions. With India's SMB sector expanding rapidly, small businesses must effectively balance short-term activations with long-term brand building solutions to differentiate themselves from competitors and achieve sustainable growth. Business owners who smartly leverage creativity, AI, and automation will be able to do more with less budgets and create true value for their customers.



04

Emerging Technologies

41%

2 in 5 are considering ways to innovate by implementing new creative marketing solutions (such as marketing automation, AI, online communities).

The power of AI

This presents an exciting opportunity for deep-learning marketing solutions to be more prominently integrated into marketing solutions targeting SMBs across varying sizes and operations. Even those who indicated that they have no and/or will not invest in AI marketing-tech tool are likely driven by unfamiliarity, as 42% of them said they did not know enough about ChatGPT.



9in10 SMBs acknowledge that AI tools such as ChatGPT could help with marketing.

This appetite for innovative and low-cost creative marketing-tech continues to grow, it's important that these hurdles are addressed through information sharing and learning opportunities to empower SMBs to make the most of the power of AI.

Examples of AI effectiveness employed by SMBs included:

59% Increased creativity

56% Efficiency improvement

43% Freeing up staff for more complex work

43% Support with audience research





05

Adoption roadblocks of New Technology

Despite the obvious external market conditions, it's actually a myriad of other factors keeping SMBs up at night – and not all of those issues are financial ones.

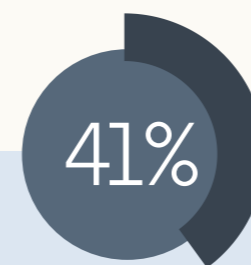
91%

Nine in ten senior business decision makers (SBDMs) surveyed say they face challenges with creative marketing solutions.

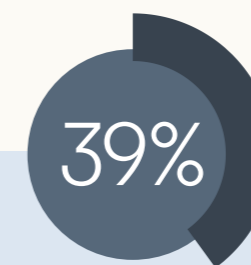
While two in five (41%) SME businesses are implementing new creative solutions or innovative technology in their marketing strategy moving forward due to the economic downturn/ changing budgets, nine in ten (91%) senior business decision makers (SBDMs) surveyed say they face challenges with creative marketing solutions. These challenges range from how they strike a

balance between retaining and growing clients – with 41% grappling with new vs existing audiences – to addressing skills gaps including creative talent and sector knowledge within their businesses (30%). Creativity was a leading concern, with 28% unsure about ways to deploy long term creativity and 39% in fact struggling to remain creative with numerous rapidly evolving tools.

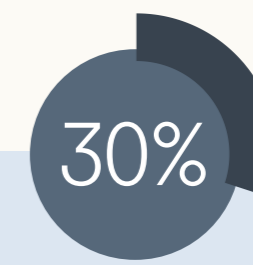
What are the top challenges?



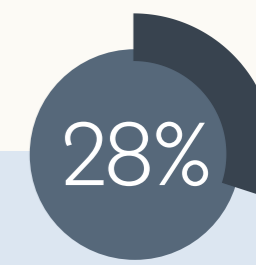
say it's finding a balance with solutions for existing audiences and new audiences



struggle to remain creative with numerous rapidly evolving tools



lack creative talent and knowledge in their businesses



are unsure about ways to deploy long term creativity

What are SMBs turning to?

Marketing-tech tools that are purpose-built to address some of the above challenges associated with SMBs' adoption of creative marketing solutions.

Quick Mode

LinkedIn's campaign manager is a great example of a tool that caters for SMBs with Quick Mode. Offering a simplified flow of campaign creation using campaign manager, Quick Mode allows businesses to quickly create a campaign with commonly used settings by selecting your objective to either be brand awareness or website visits, with further simplified targeting, placement, format, and budgeting. Tools such as this are designed to support SMBs with the lack of knowledge and talent, removing some of the barriers and empowering them to still deliver strong results on their creative digital marketing activity.



06

Measuring ROI

Over **1 in 4**

SMBs are saying that brand awareness is critical in their business weathering economic uncertainty (27%).

Less than a fifth (19%) of SMBs report seeing an ROI when they invest in marketing, creating a discrepancy between the decision to allocate their budget towards achieving business priorities and the ability to access these business outcomes against key performance indicators.

Over **36%**

of SMBs acknowledge that marketing has helped them build brand awareness.

The research suggests that just over one fifth (22%) of SMBs claimed to have the right tools to measure the effectiveness of marketing spend, which represents one of the main challenges as to why many SMBs don't see an ROI in marketing.

LinkedIn's offering of marketing solutions take this into consideration, developing the LinkedIn Ads platform with the capabilities for SMBs to get real-time data on their campaign performance and demographic insights through world-class reporting and analytics features.



Measurement & Reporting with LinkedIn Ads



During such an uncertain time, it's critical for small business owners to get the most value out of every dollar and LinkedIn marketing solutions can help business owners make smarter decisions with their money to ensure they get a high return on their investment. This includes the ability to measure and map their campaigns to business impact, while continuing to dial up the creativity and stay top of mind for buyers.



Mr. Krishna Kumar, Founder and CEO at Learnbay

Learnbay is an Indian EdTech business offering accredited courses in Data Science, Machine Learning, and Artificial Intelligence. They are in an expansion mode, enhancing their offering to hybrid learning, focusing on new technology that integrates with existing infrastructure, and diversifying products and services to offer affordable access to education. Learnbay allocates 30% to 35% of their revenue towards marketing, 25% to 30% of which goes to digital marketing such as social media, email marketing, SEO, and pay-per-click ads.

They are dialling up investment in a range of marketing automation platforms, CRM software, and social media management tools. Having adopted AI tools such as ChatGPT, Learnbay believes that these can be especially helpful to them and other EdTech companies. A promising application of this technology is to help construct virtual assistants that assess each student’s performance and style to personalize the learning process.

LinkedIn Ads helped them target their most valuable consumers, generate leads, raise brand recognition, and cultivate critical relationships at every stage of the sales cycle. The LinkedIn Audience Network (LAN) also helped reach users on trusted third-party apps and sites- 59% of whom were not as active on the LinkedIn feed- enabling them to communicate with essential individuals and senior decision-makers who would otherwise go untapped. This resulted in increased reach and engagement across Learnbay’s sponsored content campaigns, while maintaining lower CPMs.

Arha Padman, CMO & Founder’s Office at Niqo Robotics

Niqo Robotics offers robotics solutions for sustainable agriculture in India through AI powered agricultural robots. Their top three priorities this year are expanding their offering, generating awareness for this new innovative technology, and establishing a strong market presence in it’s first year. As a pre-revenue start-up, they spend their digital budgets- 100% digital allocation for enterprise marketing- on brand building, generating awareness and product adoption activities.

In the fiercely competitive world of startups, leveraging marketing tech tools presents an outstanding chance to streamline marketing efforts while operating with limited resources and small teams. They have implemented ChatGPT to automate repetitive tasks and monitor performance metrics.

“Leveraging LinkedIn Ads has proven pivotal in our pursuit of achieving key objectives of our burgeoning Agritech startup. We use the platform to network, connect, and showcase our brand to investors, thought leaders, and collaborators, driving business growth. As we prepare for commercialization, LinkedIn Ads helps us recruit top talent from diverse fields to drive innovation. The platform is instrumental in expanding our network and propelling us towards long-term success.”



Smarthveer Sidana, CEO & Founder at Hire-Quotient

Hire-Quotient is a digital, AI-powered recruitment company with a focus on data-driven, unbiased & skill-based recruiting decisions. Growth is their mantra, as they focus on technology and AI to expand their offerings, improve their on-platform user experience, and expand their customer base through innovation and industry partnerships. Being digital-first, they allocate 70% of their marketing budget to digital channels and investments in marketing-tech such as HubSpot, Apollo.io, SEMRush, and ChatGPT, and tools for deanonymization, ABM, and intent data are on the cards.

Hire-Quotient believes that AI tools can help produce high-quality content such as emails, blogs and social media posts, at scale, as well as support annual planning, thus freeing up employee time.

“With LinkedIn Ads, reaching our relevant audiences and engaging them, driving traffic to the website, and generating qualified leads were the most important use cases that were met. In fact, 70% of our performance marketing budget is allocated to LinkedIn due to the reach and scope that the platform provides.”



Lakshmipathy S Bhat, SVP – Global Marketing & Communications at Robosoft

Robosoft is a full-service digital transformation company offering end-to-end solutions in product advisory, design, engineering, and analytics. A majority of their marketing investments are in digital to meet the priorities of new business acquisition, increasing brand awareness, and making the brand desirable across both business & talent communities.

LinkedIn Ads are used by Robosoft to help them reach their niche target audience optimally, allowing them to develop an on-platform voice and messaging that positions the company as a trusted ‘voice of authority’ within their domain.

“LinkedIn Ads help us share our views on domain trends, best practices and learnings to our intended audience. It gives us a reason to connect with our prospects and prepares a solid ground for outreach to create awareness.”



Smitha Rao, Cofounder, Utthunga

Utthunga is a Product Engineering and Industrial Solutions company. They leverage marketing as a growth lever and use a mix of organic and paid channels to drive lead generation, brand awareness and talent acquisition. 50% of their budgets are allocated to digital and the rest to offline activations like trade shows/ print publications.

Being a technology company, they have invested in applications for lead generation, email automation and SEO. ChatGPT is already helping them build efficiency and perform routine marketing tasks in a quicker timeframe e.g. market research, content curation for social media, emails, etc.

“LinkedIn is the primary channel for Utthunga’s B2B marketing reach-outs. Using the LinkedIn Campaign Manager, we’re able to communicate the value we bring to our target audience directly while also establishing ourselves as a thought leader in industrial automation and Industry4.0.”



This research into small and medium businesses (SMBs) was commissioned by LinkedIn, the world's largest professional network, investigating how SMBs are navigating the changing environment, economic challenges and its impact on their marketing plans.

Methodology

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 309 qualified senior decision makers in small and medium businesses in India. Fieldwork was undertaken between 15th - 23rd March 2023. The survey was carried out online.

Definitions

SMB: Small to medium sized business, referred to as 'SMB' for brevity

Small business: Those with a company annual turnover of up to INR 400 million.

Medium business: Those with a company annual turnover of INR 400 million -1 billion.

SBDM: Senior Business Decision Maker, referred to as 'SBDM' for brevity