

Entrepreneurs underestimate the value of PR



By [Sonwabise Sebata](#)

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According to the Global Entrepreneurship Report, South Africa is improving - but still below average - in terms of producing entrepreneurs. Only 7.3% of South Africans were involved in business younger than three and a half years in 2013.



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Many budding entrepreneurs in South Africa have great ideas but little money and so their business ideas die in the noise of financial clout. Those that do manage to get a foot in, end up in the list of statistics for failed businesses mostly because they do not know or understand the methodological tools behind a successful business.

Ask the majority of entrepreneurs in South Africa about what tools they think they will need to grow their business and the majority will respond with marketing, adverts, sales, business development, and of course finance. Some approach government by applying to one of government's many small, medium and micro enterprises support structures. Government's response is varied depending on which agency you approach and their funding models.

No PR funding

Noticeably, government agencies, such as the NYDA, are moving away from direct funding and rather opting for financing branding and website support. While this is a noble and a good accessory for businesses, there is absolutely no mention of public relations (PR) funding.

Information tends to lean on marketing; for example, SEDA stresses the importance of marketing including "sales, advertising, promotional activities, pricing, packaging, the location and even the name of your business" as key start off points. Don't get me wrong, these are all important factors; however, wouldn't it be more effective if PR was also at the top of their funding agenda?

Most entrepreneurs and even government just do not realise the value of PR. Simply put, "PR plants the seeds and marketing harvests" but they tend to place emphasis on marketing - in other words harvesting without ever planting seeds

which might explain the state of failure of entrepreneurship in the South African context. PR is the practice of managing the communication between companies and its public or target audience.

Public relations gains companies/individuals/organisations exposure to their audience using topics of public interest and news items that provide third-party endorsement but do not involve direct payment. Now isn't that something most if not all companies need especially startup companies?

A proven method

Public relations methodologies are a proven method to boost business growth. The growth margins are especially felt by small businesses. As a small business owner or start up business owner, you need to gain the trust of your target market and develop a positive reputation for your company. This includes creating awareness within your customer base and the value your services or products will add to people's lives. Your business will continue to reap the benefits of the PR campaigns you invested in at the beginning way into the foreseeable future.

A typical example is Standard Bank. When Standard Bank opened its doors way back in 1862, it merely had a few staff but it has since gained the trust of the public and is today the largest African bank by assets and earnings and it operates in 18 countries in Africa. M-Net: established in 1986 under the alias Electronic Media Network broadcasted for 12 hours per day to a mere 500 households. Their monthly target sales were a mere 9,000 decoders. They only started making profit in 1990 after the public started noticing. Why? PR.

PR is the most crucial element to the success of the business. Remember the "Vote for Table Mountain" campaign? It was literally a PR wonder, which was so successful Table Mountain is now named one of the New 7 Wonders of Nature beating the likes of Grand Canyon. This campaign was so successful, I personally heard about it all the way in Hong Kong, and was so convinced I voted, as a patriot but mostly because of the excitement, unity, and sense of pride generated around the campaign.

Valuable service

Facebook CEO Mark Zuckerberg arrived at Facebook's debut on the New York Stock Exchange in casual attire much to media frenzy. His PR spin: "I need to look approachable to my target market. This is who I am. My target market must relate to me." Today, he addresses conferences in tees and jeans on the regular. Why? Successful PR! Mark has only worn a suit once, to a meeting with President Obama.

PR is so underestimated and yet such a valuable service to companies. Many small things have been made large by the right kind of PR.

Government should really look into the Small Business Amendment Act, which is mandated to govern the implementation of government's small business strategy, including funding schemes, and consider its funding model.

Bill Gates, founder of Microsoft once said: "If I was down to the last dime of my marketing budget. I'd spend it on PR!" Virgin's Richard Branson states that "Publicity is absolutely critical. A good PR story is infinitely more effective than a front page ad."

ABOUT SONWABISE SEBATA

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