

Lack of knowledge, budget constraints, regulations key challenges for SMBs in adoption of online ads: Survey



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Based on the survey data from 864 respondents across sectors, the report said 49 per cent of respondents reported insufficient knowledge of online advertising techniques while 43 per cent cited budget constraints as a significant challenge, especially for smaller enterprises.

The report focused on the role of online advertisements in driving business growth, enhancing brand visibility, and boosting India's digital economy.

Lack of knowledge, budget constraints, and regulatory compliance are the three key challenges faced by small and medium businesses (SMBs) in the adoption of online ads, said a report on Friday by business and management consulting firm Primus Partners. The report focused on the role of online advertisements in driving business growth, enhancing brand visibility, and boosting India's digital economy.

Based on the survey data from 864 respondents across sectors, the report said 49 per cent of respondents reported insufficient knowledge of online advertising techniques while 43 per cent cited budget constraints as a significant challenge, especially for smaller enterprises.

35 per cent also cited complying with regulations as another challenge. Other challenges cited by SMBs were limited resources and keeping up with changing algorithms and platform policies.

However, among those who are using online ads, 80 per cent of the respondents said they have used online ads in their business while 42 per cent of the respondents allocated over 40 per cent of their marketing budget towards online advertisements.

Further, 72 per cent said they utilize more than two online platforms, showing a strategic approach to diversifying their digital presence and 76 per cent said online ads are more effective than traditional advertising.

Speaking on the report, Ramakrishnan M, Managing Director, Primus Partners, said,

“MSMEs and startups, contributing 30 per cent to India’s GDP, play a vital role in the nation’s economic growth. To boost their performance, these businesses can leverage the power of digital advertising, including AI and AI-related tools, which 69 per cent of our surveyed SMBs found effective in achieving their business goals.”

According to the report, 70 per cent of respondents believed that online advertising helped them optimize marketing budgets and over 80 per cent agreed that online advertising helped improve their brand visibility and helped in brand building.

Moreover, 80 per cent stated that their business revenues more than doubled since implementing online advertising.