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Article

Community engagement and small businesses: a winning combination

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Please note this content was curated for SME businesses in the UK

Every small business contributes to the local community in its own way – from providing local jobs to adding character to a high street, supporting other local companies or getting involved with local charities. Small businesses are woven into the fabric of local communities. And the more community-minded you are, the better it could be for your business.

Did you know that businesses with 0-49 employees make up 99.2% of the total business landscape in the UK?[1] Many of those are family-run, and all contribute something unique to the local area through their products, services, people and activities.

For these reasons, small businesses have many advantages over big corporations when it comes to community engagement. This article outlines some of the business benefits of getting more involved locally, and suggests five simple things your business could do to become more active in the community.

Community engagement means everyone benefits

Community engagement for small businesses is a two-way street. The more a small business gets involved, the greater the potential advantages for that business – and for the local area. Here are some benefits your business could get from greater community engagement.

Greater resilience: local businesses can have a vital role to play when communities face collective challenges. For example, during the coronavirus pandemic, small businesses supported vulnerable customers, took on community leader roles, and donated goods. Coming out of the crisis, many businesses had reached new customers, diversified their product offer and expanded their digital presence (2).

Stronger trust: community engagement can be a great way to build trust with customers. Participating in local events, supporting local charities and building relationships with local partners helps to breed confidence in your business. And the more people trust your business, the more they are likely to do business with you and stay loyal **(3)**.

Productive partnerships: getting involved locally can open doors to networking opportunities and collaborations with complementary businesses. These partnerships could be mutually beneficial, introducing you to more customers and growing your brand awareness **(4)**.

Infrastructure development: for infrastructure projects to work, they need the buy-in of local communities – **and that includes small businesses**. Engaging with these projects could be important to minimise disruption from noise, detours and closed footpaths, for example. But consulting with developers could also give you a voice in the project design, which might generate more footfall or improve your business operations.

Repeat business: local customers may be more likely to recognise and value your business if you actively invest in making your community a better place to live. So community engagement can give you a great platform to build positive customer relationships, which in turn could lead to greater customer retention and repeat purchases **(5)**.

Reputation building: when you actively support and contribute to your local area, community members will see you as more than just a business. You might also receive positive media coverage, leading to richer, more valued customer relationships. People remember how you make them feel, so engaging in the community can be a meaningful way to Increase your business's brand awareness and build reputation **(6)**.

Engaging with your local community can be so much more than demonstrating your business's social responsibility. Being proactive locally could help grow your business, increase sales, and make you a local household name for all the right reasons.

Five steps towards better community engagement, whatever your business

‘Local community’ will mean different things for different businesses. If you’re an independent coffee shop or community gym, your local community is likely to be local residents, workers at nearby businesses or students at local schools and colleges. If you’re a wholesale distributor, your local community could be made up of local manufacturers, retailers and other companies in your supply chain.

Whatever ‘local community’ means to your business, there are some common steps you can take towards community engagement. We’ve pulled together five popular approaches:

Sponsor a local sports team: sponsoring a local sports team is a great way to connect with members of the local community and other businesses. It could build awareness and grow your customer base in exchange for an investment that you can tailor to suit your particular budget and needs. You can learn lots more about how to approach local sponsorship **here**.

Support a local school: schools are often at the heart of local communities, and getting your business involved could create valuable connections with teachers, children and parents. Possibilities for engagement include **site visits, informative talks, providing careers information and more.** A strong association with a local school could improve your brand’s reputation locally – as well as potentially helping with recruitment.

Engage on social media: social media is now a valuable part of any business’s marketing toolkit. Local communities may talk about particular issues and themes on social media, in local group chats and pages. If your business has a presence on local social media, you can engage with people on their terms and share relevant information, images and other content **(7)**.

Host community events: an excellent way to engage your local community is to hold community events. Depending on your business’s strengths and interests, you could host **workshops, seminars, product sampling, speaking engagements, fundraisers and much more**. Events are great for building local networks, and you can usually develop one that meets your budget.

Join a local trade organisation: local trade associations or groups that supply resources or stage events could provide excellent networking opportunities. They’re also a great way to increase your local community presence. This might be a particularly useful step if you’re a sole trader. You could look out for the most suitable one in local social networks or national lists like **this one**.

Perhaps your small business is doing one or more of these things already – if so, great work! Now might be the time to take your community engagement work to the next level. What are your objectives for community engagement? How do your engagement activities **align with your business values and goals?** Which local business partnerships will be the best fit for your business? For example, could you form longer-term collaborations with particular schools, colleges or charities that could bring mutual strategic benefits?

However you choose to engage – and at whatever level – taking positive steps to connect with your local community could be one of the most rewarding things you do as a small business owner.

Back to the resource centre

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1 Federation of small businesses: https://www.fsb.org.uk/uk-small-business-statistics
2 New horizons : https://www.fsb.org.uk/resource-report/new-horizons.html
3 Discover Print: https://discoverprint.co.uk/blog/tips-for-building-trust-as-a-small-business-owner
4 Cambridge network: http://www.cambridgenetwork.co.uk/blog/unlocking-growth-and-performance-five-reasons-why-businesses-should-embrace-community
5 Faster capital: https://fastercapital.com/questions/Why-community-involvement-is-important-for-increasing-customer-engagement.html
6 Biz Journals: https://trust.bizjournals.com/blog/13-tips-for-community-involvement-that-can-help-you-grow-your-business#:~:text=Benefits%20of%20community%20involvement&text=This%20helps%20create%20a%20sense,make%20valuable%20and%20interesti
7 Increase marketing: https://increasemarketing.org/blog/social-media-local-community-engagement-for-businesses/

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