

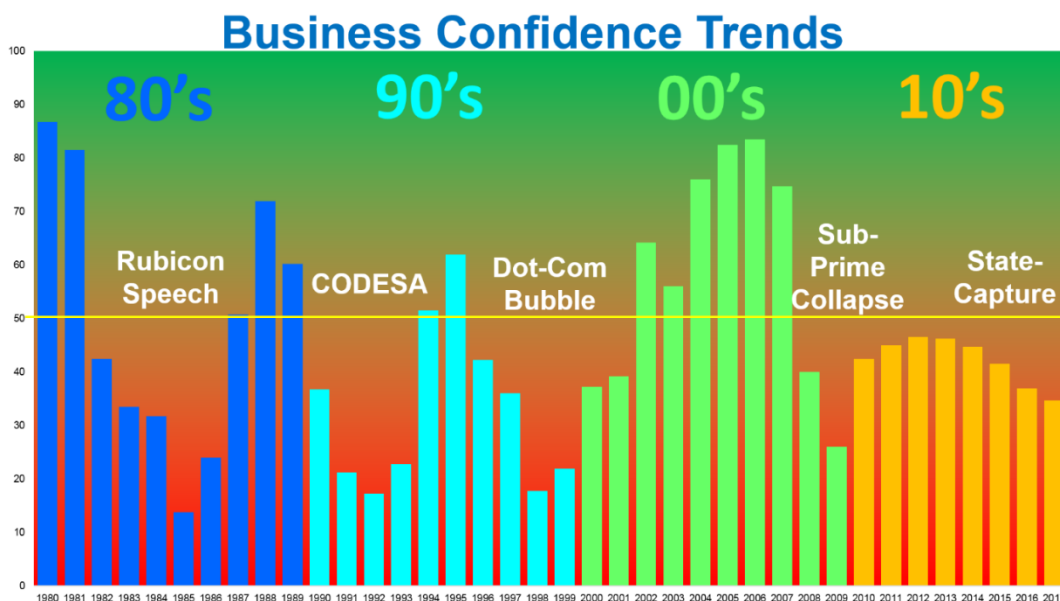


Business Enhancement Series

PART 1: The Reasons Why Some Companies Are Successful, Even in Recessionary Times

To discuss this article or your business enhancement needs, contact Gordon on gordon@batbrand.co.za

The recently published RMB/BER Business Confidence Index report some 70% of South Africa's executives to currently be unsatisfied with business conditions in the country. It is worthy to note that in the years 2004 to 2007, the satisfactory figure was 80%!



Since the Great Recession sword fell in late 2007/early 2008, business confidence has been trading in the red, without reprieve, for over nine years now!

Bateleur is a full service corporate member of the Southern African Marketing Research Association. Bateleur subscribes fully to the Association's stringent code of practice for ethical and quality standards.

But, if 70% of executives find business conditions unsatisfactory, then, by deduction 30% are finding conditions to be at least satisfactory. One does not have to look far to see that whilst many businesses are cutting back, retrenching, closing or generally reporting poor financial results, there are indeed some who are displaying unprecedented growth, expansion and profitability.

Why? What is it that differentiates successful companies from unsuccessful ones in these bleak trading conditions?

After careful consideration of qualitative factors differentiating successful and non-success, we postulate a set of conditions underlying business prosperity today.

Firstly, when the Great Recession dawned, many companies took the immediate response of **cutting costs** and **improving efficiencies**. The first response was to shed the fat that had accumulated in the previous boom time, and to exercise the muscles that had become complacent. Successful companies today continue this practice of cost and efficiency management.

Lean and fit companies are more competitive in these difficult times.

Unfortunately, many companies left it at that. Having trimmed back costs, and propped up efficiencies they had no real vision as to what to do next. Many relied on the marketing technique of “**wishful thinking**”.

Wishful thinking marketing is the practice of sitting back and wishing that customers will appear, as if by some magical force, and buy one's product!

When it comes to marketing, companies need to replace the wishbone with a backbone.

Successful companies have managed to get over wishful thinking marketing, and found a solid foundation from which to take their business to the next level.

This foundation is the **voice of the consumer** (VOC).

Founding one's business on the voice of the consumer ensures that products, processes and service delivery are guided and engineered by consumers' needs.

The modern world provides a plethora of different ways to listen to the voice of the consumer, including:-

- Observing customers behaviour,
- Interacting with customers in the shopping environment,
- Analysing purchase data,
- Engaging the opinion of customer service staff,
- Analysing social media commentary and blogs,
- Developing customer communities and then both formally and informally interacting with them.

- And, of course,
- Formal market research surveys (both qualitative and quantitative)

But listening to the voice of the consumer is not enough. It is only the foundation.

Successful companies go on to gain a **profound understanding of consumers' needs** both called for, or implied by, their voices, and then go on to **innovate profitable solutions to these needs**.

Such solutions present themselves as brands, products or services delivered through a variety of channels and purchase mechanisms. Of course this chain of value construction from new product development through to customer delivery is ultimately in the hands of the company's employees.

Successful companies almost always characterised by having **employees who are highly enthusiastic and strongly engaged** with their jobs, their company and ultimately their company's customers.

Characteristics of enthusiastic and engaged employees are kindness, optimism, a work ethic, empathy and integrity. One ought to look out for these personality traits in addition to, or even above, functional skills required by a staff member!

Upon this layer of enthusiastic and engaged employees, successful companies add yet another critical layer. That is, **teamwork!**

No man is an island, goes the old adage. Decisive product and service delivery relies on flawless mutual cooperation between the various functions in the organisation. Those companies who are structured into silos invariably fail at satisfy customers' needs aptly.

Conversely, those that work together with the common purpose of satisfying customers' needs, profitably are invariably successful.

Formal employee engagement research surveys and subsequent employee development interventions are an essential ingredient in developing enthusiastic engaged employees with a strong sense of teamwork and cooperation.

Finally, we have noticed that the world has evolved to a state of consumerism whereby **instant purchase gratification and frictionless transacting** are significant ingredients to a brand being a "favourite".

Successful companies consistently are the ones who make it extremely easy to make the purchase! This is especially true of the up-and-coming so-called Millennial Generation.

In summary, you can use the following checklist for companies which are succeeding in these difficult times are those which:-

1. Restrain costs
2. Pursue efficiencies
3. Elude wishful thinking
4. Heed to the VOC (voice of the consumer)
5. Convert the VOC into needs
6. Invent ways to satisfy these needs
7. Grow enthusiastic and engaged staff
8. Cultivate teamwork
9. Provide frictionless transacting

As one can see, the fulcrum across which companies sway from unsuccessful to successful is **heeding the voice of the consumer**.

Formal qualitative and quantitative market research is a critical component of developing a strong consumer voice in one's business.

Yet, market research is fraught with misunderstanding and mistrust. It is very easy to waste money and time when acquiring market research. Many companies report frustration and disappointment in this process.

In the next video and article we will share with you valuable and key tips to keep in mind and apply when embarking upon a market research exercise as part of your VOC program.

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