

10 strategies

Ruth Saunders, managing partner of Galleon Blue, advises on ways brands can start to thrive again as economic recovery gets under way

Confidence that economic recovery is underway was the message that came out of a recent survey of 45 Galleon Blue clients – senior marketers and general managers, representing financial services, consumer goods, IT and telecoms, energy, healthcare and travel sectors around the globe, taking in Europe, North America, Asia, South America, Africa and the Pacific Rim. Most expect 2010 sales to grow over 2009, supported by higher marketing budgets. Most expect growth to come from existing customers, rather than new ones, through increased customer loyalty and profitability. These are the top 10 strategies for recovery that they intend to follow.

INNOVATION

1 Many companies are struggling to build and maintain a strong innovation pipeline – with disproportionate resources focused on the next big breakthrough, resulting in little getting to market in the short-term. In contrast, the ideal innovation portfolio balances a high number of shorter-term product upgrades, a smaller number of clever line extensions that will create incremental revenue without diluting existing business, and a manageable number of 'big breakthrough' projects, using the shorter-term projects to fund the riskier and more expensive product breakthroughs. Each of which has a realistic timeline and costing that enables the company to deliver its strategic objectives.

OPTIMISE BRAND POSITIONINGS

2 As marketers know, brands that own a distinct market position can drive significant growth over a sustained period of time. Too often, however, brands are positioned as a 'single value' that is fixed over time, resulting in a set of words that is so bland and generic that it's no longer differentiating. In contrast, strong brand positionings should capture all the values that a brand contains (not just the brand essence at the top of pyramid), outline those values which are most associated with the brand and those which are less so. It should also consider how these vary versus competitors, detailing the positives and negatives of each value so that the positives can be accentuated and the negatives minimised.

DO MORE WITH LESS

3 Marketers will continue to be under pressure to make their marketing budgets work harder and justify what their spend is delivering to the bottom-line. For many marketers, the knee-jerk answer is to redirect money away from more expensive above-the-line media into less expensive internet advertising and direct marketing. But this is not necessarily the right thing to do. In contrast, 'doing more with less' is often about focusing spend on the areas that will deliver the greatest return –



FMGC producers are streamlining their brand portfolios

such as the products, customers and geographies that are most valuable and profitable, or on the purchase funnel bottlenecks where most customers drop out, or on memorable advertising that gives people compelling reasons to act now, or on the most influential touchpoints and media vehicles that generate the highest ROI.

IMPROVE THE CUSTOMER EXPERIENCE

4 As markets mature and differentiation is harder to achieve, companies are increasingly realising the importance of looking beyond their core products and services (be it food and drink, IT consultancy, or oil and gas) to manage all the other elements of the customer experience, from pre-sales advice to post-sales loyalty programmes. In many sectors, excellent products and services are becoming the price of entry into the consideration list, with purchase (and repurchase) decisions being increasingly driven by the overall customer experience – eg, the length of queues, how well a sales representative

for recovery



to focus resources on priority brands

responds to questions, the promptness of delivery, how the customer support centre manages a crisis.

IMPROVE ONLINE CHANNELS' EFFICIENCY AND EFFECTIVENESS

5 Every time a new medium or channel arrives, management thinks 'this is the next big thing – we must get into it'. The online channel is obviously here to stay, not as a replacement to traditional channels, but as an addition. As with traditional channels, marketers should use online channels to target customers at specific stages of the purchase funnel. For example, online search and banner ads are effective at building brand awareness, whereas client-sponsored sites that educate people on how to handle key category issues are good at building brand consideration. Similarly, customer referrals, online chatrooms, product ratings and online promotions are good at encouraging enquiry and product trial, whereas social marketing that encourages customers to help co-design products is good at building customer loyalty.

GET THE PRICING STRATEGY RIGHT

6 Most companies are under increasing downward pricing pressure – particularly brands sold through grocery outlets, where promotions now often account for 60-70% of a brand's sales. To break out of the pricing spiral, companies need to understand what customers don't value and remove any hidden costs associated with these to increase margin, where possible, run more strategic promotions (such as offering a free trial pack of the latest 'new product launch' when buying a core product, or offering '5 for 3' to stop people switching to a competitor) and constantly innovate to offer added value that customers are willing to pay more for.

IMPROVE SALES FORCE EFFECTIVENESS

7 One of the most effective and cost-efficient customer touchpoints is the sales force – yet salespeople are often unaware of what the brand positioning is, how it better meets customer needs than competitors and how to bring the brand experience to life. In contrast, customer segmentation is proven to help salespeople sell more effectively. By helping salespeople to quickly identify which segment a customer belongs to, and thus what they're looking for, they can tailor their pitch to better fit the customer's needs, lead on the products and services that they are most likely to buy and bring the brand to life in a way that demonstrates how superior it is to the competition.

ENHANCE CUSTOMER MANAGEMENT

8 The marketplace is evolving at an increasingly fast pace, with more customers switching than ever before. To mitigate this, brands must strengthen their customer relationships using the latest technology to get closer to what's really going on. For example, marketers shouldn't solely rely on traditional market research – they should also actively monitor online postings and forums (eg through a private online community) to understand

what customers want, who is best meeting their needs and what's most influencing them. Similarly, real-time predictive analytics can help analyse yesterday's purchase patterns to figure out what each customer will buy next, thus helping marketers optimise their marketing, channel and promotional strategies.

OPTIMISE THE BRAND PORTFOLIO

9 The increasing cost of building and maintaining a strong brand has caused many organisations (such as P&G and Unilever) to streamline their brand portfolios – creating a top tier of priority brands where resources are focused for growth, and a secondary tier of niche brands to fulfil specific market opportunities. This will continue to be key as budget pressure intensifies – with companies needing to achieve the right balance of streamlining down to as few brands as possible, whilst retaining as many brands as needed to successfully compete in different categories and sell to different customer segments.

GET INTO NEW MARKETING CHANNELS

10 Before 'jumping on' the latest marketing channel bandwagon, understand how a new channel will help to achieve the company's objectives more efficiently. Even in the social marketing space, there are many options (eg Facebook, Twitter, Linked-In), each of which connects with customers at different times in different ways. It's important to identify which option has the best fit with your customers and the types of products and services they're buying. Let alone thinking about the likely impact of other new channels, such as mobile marketing, which is likely to take off once penetration of the Smartphone increases. Most importantly, any new channels need to be integrated into the overall media strategy, so that, as a whole, the channel mix delivers the results needed.



more on recovery strategies at www.warc.com