

It's squeaky bum time for South Africa

 By Jedd Cokayne

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Junk status: two words that evoke a generally negative emotional response in every adult South African, but what can brands do to stay ahead?



Supplied

It's landed, just like that irritating aunt at family gatherings. You've tried your best to ignore it in the hope that she wouldn't notice you but Junk Status has placed the proverbial kiss right on our cheek with bright red lipstick made from some pungent oil.

Although we are still reeling from the announcement, we don't yet have any idea what the long-term effects are going to be on the economy and, more importantly, the man on the street. From personal research, it seems that countries can take up to seven years before any significant changes to their status can be seen. I suppose only time will tell.

Consumers are not going to stop spending, that's a given. But spending will become more conservative and discerning. With South Africa having one of the highest ratios of debt relative to income in the world, coupled with higher inflation rates, people will be forced to spend more money on the essentials like food, transport and paying back interest which will no doubt eat into their very limited disposable income. Luxury items or services may become a thing of the past, or will it?

Savvy brands are going to have to raise the bar in terms of how they operate and, more than likely have to rejuvenate the segment they trade in to stay ahead. For the general consumer this often has a positive spin off and benefit for them in the long run.

Research on the topic of brands that have not only combatted a downturn in their economy but changed the way they trade, has shown that changing a few simple rules with the consumer in mind will have a big impact.

- Refine your product offering and create value for money in everything you do.
- Give customers what they want, when they want it and how they want it. Customers are spoilt for choice, ensure they chose your brand above all others. Exceed all expectations.
- Quality and excellent service offering are key.
- Make sure every customer feels like they are your only customer.
- Keep the brand agile and ensure you make changes when required.

One benefit of the downgrade, as brands relook their operating models, redefine their offerings and ultimately deliver a better service, is that the consumer on the street will benefit and hopefully not feel the financial burden as badly.

Junk status is like an iceberg, you can either make the necessary adjustments to avoid it and sail past or hit it and go down.

I know what choice I would make.

ABOUT JEDD COKAYNE

Jedd has been in the media industry for 19 years and worked within media agencies and creative agencies like OMD, JWT and Joe Public. He has been lucky enough to work on some fantastic brands like Nissan, Ford, Siemens, Smart Car, Clover, MTN, Absa, Coca Cola and Famous Brands, to name a few .

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