

## Marketing 'trends', challenges, observations


By Thomas Oosthuizen

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We live within a global and local context that is in continual flux. At this point, the rand is at a low (again). Politics are uncertain. Emerging markets are under pressure. Yet, despite these circumstances, business needs to take create products and services that will sell for a profit. To me, this is more a function of how we approach our task than to simply look in the rear view mirror at the circumstances around us. In this piece, I highlight a few key issues in marketing that we need to take advantage of to become more successful and profitable in the next years. By doing that, we will succeed, regardless of the short-term trends.

## 1. Social media: brand friend or foe - fact is, it depends

Despite the incredible growth and opportunities offered by social media, some truths are coming home to roost:

- How does a brand really leverage its potential? Most companies struggle with this answer, and the results are often less than what companies expect. More and more questions are being asked about the real measures that matter.
  - With the increasing proliferation of social media, and changes in the status of existing ones (arguments as to whether Facebook is growing or declining), what media are best and how can a company combine them as best as possible?
  - What can the agencies do and what must the marketers do? Social media is not as easy to manage as was outsourcing television advertising to a creative agency.
  - How do you generate substantive and dynamic content that still stays relevant to the brand - yet engaging to consumers?
  - Moreover, and even more important, how are companies structuring their businesses to deal with the implications of being an exposed entity whose credentials and integrity are being evaluated and critiqued, 24/7?
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My feeling is that despite the incredible opportunities offered by social media, few companies will be able to leverage it really well, as for most part, social media creates a paradox for marketers in that it remains social, first and foremost, it is not really about brands - and finding a credible way "in" is easier said than done.

On average, one must assume that social media, at this point, is potentially more damaging for most brands than it is advantageous. How this will change will require most companies to look deep into their souls - without integrity, social media will kill you.



## 2. Big data: we can, but will we? Relevant information is a major competitive advantage

The incredible salience of big data last year - from nowhere to everywhere - is interesting, if not perplexing. Yet, the concept of using one's own idle information to better manage your revenue and business, is not new: it is just the scope of it that is changing.

At the heart of it, is my concern that despite much research and data being available in companies for generations, and fairly sophisticated statistical techniques being available (albeit using smaller data-sets), research is still rarely

used as tool in executive decision making. This is even true in companies that spend large amounts of money on research.

This is complicated by the fact that most data analysts are not marketers or businesspeople, and most marketers are not data analysts. That is why many of the new analysts get appointed in IT roles (still only here and there in marketing roles), and I am not yet sure whether this will help in any way as it may even further divorce information and executive decision making.

So the availability of options and the potential depth of analyses does not mean we will use information better in companies, nor does it mean we will actually start knowing more about our markets and customers.

We need a change of heart - we need to place information at the centre of our businesses and marketing universes. We need to understand that at the heart of a brand, is how we leverage information to create brand meaning - which in turn is a function of the information content of the brand.

Information is potentially the most powerful tool for marketers and business, yet the one used least well.

### **3. Is the business of marketing good business?**

We see more and more surveys that question the effectiveness of marketing in business. We see more and more questions about how we measure results. We hear about the possibility that marketing as a discipline may disappear, but marketing practice will remain.

These are of concern to all of us in the industry.

This debate will rage on until we accept that we as marketers do not do nearly enough to be central to business. Some marketers do, and they can easily be identified. Most do not.

This does not mean many CEOs understand the role of the customer in their companies either, despite the words "customer centricity" being used often.

What must change is a better understanding of business, how marketing can drive business results - and how to do that most effectively. Even large companies in fast-growing emerging markets have budget pressures today, so it is a fact that we as marketers will need to do more with less, and make sure whatever we do, works.

For me this means having task-driven budgets. Ensuring that whatever we do adds value to the brand and grows the business, that we question any activity that does not. That we ban budgets that grow with inflation adjustments, without questioning how that budget was derived in the first place.

It means we need to ask, for everything we do, whether that retains customers, grow their business with us, or acquires new customers of the desired profile.

In 2013, for the first time ever, I saw a SA marketer with an African footprint literally able to demonstrate how everything they do, from their brand health data, to their activities, are made relevant to the objectives they have for every single segment of their markets. They could tell me, this segments believes this about the brand, this is how many of them we have, this is how happy they are with us, this is who we are still targeting in that segment, and these are the actions appropriate that will achieve that.

It can be done - the tools are all available - we just need to start doing it.

### **4. Brands are in our heads but not in our hearts**

Brands are now center stage in marketing, and seem to have become more central to driving business growth than marketing as a discipline ever achieved. Even skeptical CEOs and FDs acknowledge brands as the pivotal drivers of customer value, hence company revenue, profitability and asset value.

Yet, the implications of this are not yet realised. Strong brands rely upon factors like a high innovation index and the integration of all factors like people, systems, procedures, communications, etc. to deliver one brand seamlessly across all its contact points. The consumer sits at the very centre of successful brands and everything aligns accordingly.

So whilst we all talk the talk, few walk the walk. To make a company brand-centric requires a fundamental shift in company values, processes and leadership. It also requires us to put imagination back into business and to become a lot more flexible and nimble.

As an economy, we have lost the productivity battle, so the only thing we can do, is to create better products and brands that can sell for higher margins, without that, we are just waiting for Big Brother to kill us all.

Putting the brand at the centre is much more than talk, it requires a series of changes in how we work. Whilst everyone agrees to the importance of brands today, few live it in business.

## **5. The increasing Africanisation of South African companies. Yet, the easy wins may be over, for now**

Many iconic SA companies are now in Africa, many of them very successfully. This will increase as we struggle with local growth and all see the opportunities offered by an increasingly affluent and growing Africa. It is our natural hinterland, as they say - if we do not capture it, others will. It remains the greatest business opportunity for South African companies in generations.

Yet, increasingly, companies from all over the world will also enter Africa, so the challenges we faced as first movers into many markets will become more complex and challenging. Whilst a first mover needs to get a few basics right, the depth of insight, understanding and thinking required to operate in more challenging circumstances, will demand much more from us as businesses. Our creativity, intuition and imagination, upon a foundation of sound analysis and insights, will be vital to achieve this.

The challenge for SA companies is to saturate penetration in as many markets as possible and to establish as many brand leaders in as many categories as possible before competition increases dramatically. The stronger our leadership in these markets and industries, the better we will survive onslaughts. The better we do our homework and close the opportunities for competitors, the better. We can only do that if we remain close to our customers.

## **6. South African business - stop being down in the dumps and get a life! Let's get back to our unique ability to manage amidst madness**

Johannesburg has often been compared to the "Wild West", with all that it entails, good and bad. A mining town where money is made and lost - and magic often discovered like gold were - amidst hijackings, shootouts, prostitution and drugs... that the very DNA of South African business is to be tough despite the madness around us.

We thrive under uncertainty... yet maybe these days we simply complain too much. We now complain about risk, before we reveled in it.

For a couple of months, we will again be arguing and debating the elections and the implications of the elections. Yet, much of that is futile as whether we agree or disagree with what happens politically, there is little we can actually do about it as business.

What we can do however, is to acknowledge that in a country like Italy, one of the most innovative in many industries, for many years, it changed governments every nine months. It was stated the average person often did not even know who the president was at any point in time.

We often claim that SA managements have lived with higher degrees of turbulence and uncertainty than most others. That those very factors puts us in demand as managers around the world within a global context that is increasingly uncertain, complex and multi-dimensional.

So the odd thing is that we often constrain ourselves through something that is at the heart of our historic competence!

Looking at Africa, we could only take those challenges on because we could manage uncertainty and risk - yet we do not do that at home. We are often told one of the key attributes of "new age" managers and leaders are that they can live amidst uncertainty and paradoxes.

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