As a brand, SAA is a lucky survivor

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Right now, the South African Airways scenario represents a classic case history of just how hard one has to work to destroy or at least significantly damage a brand. Because, in spite of all sorts of negative elements that should see consumers cold shouldering the brand and flying on other airlines, this simply hasn't happened.

The reason SAA finds itself in so much trouble and having to beg once again for billions of rands from government to survive, is not because of a lack of passengers but rather because of some quite spectacular mismanagement and incessant bungling.

Apathy

That SAA has actually managed to keep its aircraft in the air up until now is testimony to the apathy of the South African consumer who can apparently take more corporate abuse than anyone else in the world. Just look at how they all meekly line up at the exits at places like Makro where the doors are closed and customers only let out once they have proved to security guards that they are not criminals.

It's the same with SAA. Somehow, no matter how bad the in-flight service, the delays and the jostling at the check-in counters, South Africans just keep coming back for more.

It seems to be the same kind of loyalty shown by a lot of ANC members. They have lost faith in the leaders, they have lost faith in the provision of services, they have lost faith in housing, and they have lost faith in unemployment solutions. Yet, they just cannot possibly bring themselves to vote for any other party than that which gave them freedom.

Die-hards

Of course, it's entirely possible that many, many of these SAA die-hards are members of the Voyager loyalty programme. And in spite of the gamut of frustrations of trying to use those air miles or glumly watching them all too quickly expire, they feel forced to persevere rather than start from the beginning with another airline.

So, what does all this mean for the SAA brand? Is it irreparably damaged and terminal or can it be rescued? Does the fact that it is flouting the very rules it signed in front of government to allow competition and not keep putting them out of business, resonate at all with the consumer?

Well, given the fickle nature of the South African consumer who will one day bay for the blood of team members of our cricket, soccer and rugby sides when they lose and the next day be hot under the collar and indignant when they win and selectors want to bring in new blood, there is no doubt that the SAA brand flag will once again be hoisted high. Even if it is hoisted upon heaps of dead competitors and mountains of taxpayers' money.

Let's face it, any brand can survive if you keep throwing money at it - especially if that money allows it to undercut its competitors.

But, it will not be easy. And in spite of the apathetic nature of its target market, SAA cannot make the mistake now of taking this apathy for granted, however tempting this might be. There is still the danger of something big and thoroughly ugly enough sparking off a situation where consumers start to walk away from the airline in huge numbers.

Stuff the customer

And that something will undoubtedly be a reliance on a business plan that will be all about recapitalisation and reorganisation without any major focus on customer service.

But, what has been worrying and potentially brand damaging is the fact that all the talk by both SAA and government up till now has only been about cost cutting, rationalisation, drastic headcount reductions. But, nothing about making customers happy.

SAA is surviving only because it is a company with "South African" in its name and is able to rely heavily on patriotism on the part of its customers and a completely misguided sense of ownership by government still clinging to a completely outdated notion that it is somehow solely responsible and that having a national flag carrier is essential for brand South Africa.

SAA business plans will continue to be doomed to failure unless it devotes a significant portion of it to revitalising the brand and the only way it will revitalise the brand will be to start making customers feel a lot more satisfied than they are right now.

And as always, the major challenge will be to improve customer service while at the same time reducing headcount. Because what many companies don't realise is that customer service, like everything else in marketing, is not something that can be undertaken by computers or automated call centres but can only be handled by humans. And by implication, getting rid of human beings suggests that customer service will be compromised instead of enhanced.

Maybe, just maybe...

But, there is a ray of light for SAA if it is prepared to accept that fixing things is just as much about customer service as it is about cutting costs.

Quite simply, even with a reduced staff complement, SAA can deliver a far better service than it did with twice the number of people if it empowers them. Not in terms of the usual definition of empowerment in South Africa which seems to have become something akin to affirmative action, but real empowerment of everyone who comes into contact with the consumer.

And that is to empower them to make decisions.

And when it comes to this form of empowerment there are two kinds of corporation in the world today. There are those whose staff members are genuinely empowered to make decisions and whose management actually encourages employees to make mistakes in terms of that empowerment. Quite simply this management and consequently marketing thinking is based on the premise that any company that is not prepared to take risks today will inevitably fail. Any company that allows top management only to make decisions will become overburdened. The argument is that if employees are too scared to make mistakes they will always act conservatively or even not act at all.

The other kind of company is that has a strict set of rules and expects all employees to stick to those rules or face disciplinary action. SAA is one of those companies. Which is why whenever you ask an SAA employee at the airport or in the air to make some sort of minor exception, the answer is always "No".

Which is why when there is a problem at the airport, you can never find an SAA employee who is prepared to help, tell

stranded or delayed passengers what is going on or take control of what quickly becomes a chaotic situation. Which is also why one never hears an SA employee saying sorry for something but rather always coming up with a defensive excuse that is mostly either about not being able to do anything or not knowing what is going on.

Bold step

SAA will have to take an enormously bold step in terms of empowerment because it flies in the face if everything bureaucracy stands for. It will have to allow its front-line staff to take decisions on the spot and will have to bite the bullet and praise those front-liners when they make a mistake and not berate them. Sure, the second time they make the same mistake the carrot can disappear and the stick can come out. This is the way successful corporations the world over work today, and for SAA this form of empowerment is not optional but essential to getting the brand back where it belongs.

Something else SAA needs to include in its business plan is a reversal of attitude towards its competitors. So, far SAA's history is littered with examples of a dog-in-the-manger attitude in terms of blocking competitors from coming into this country with as many flights as they like. And even worse, as the Sun Air episode showed, getting rid of the competitors by foul means or fair. Whether or not SAA actually did destroy Sun Air and Nationwide is beside the point, the perception is it did and it's that perception or arrogance that pervades the organisation and breeds more arrogance and negativity among employees.

There is no doubt that every time the government gives SAA a financial lifeline it is giving it the wherewithal to indulge in discounting to the point of putting competitors out of business.

The SAA brand has been around for a long time. It has in latter years featured in local brand awards even though in some of those awards the majority of consumers who voted for it hadn't ever flown on an aircraft before.

It is my bet that even with the news that SA is going to cost the taxpayer billions, SAA will probably fare well in local brand awards.

Training and empowerment for customer service staff are key to revitalising the SAA brand. I hope that SAA management and government will not lose sight of how important these factors are when they start ploughing those billions of recapitalisation rands into the airline. Leave them out and it will become a bottomless pit.

Last time SAA got a bailout and started restructuring I asked the then chairman if marketing was part of that restructuring.

He said that SAA first had to get its financial situation sorted, then do its restructuring and only after that could they think of marketing.

Needless to say he didn't last long as chairman, because as a business strategy, leaving marketing out altogether, just proves that you don't have a clue about running a business.

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Apart from being a corporate marketing analyst, advisor and media commentator, Chris Moerdyk is a former chairman of Bizcommunity. He was head of strategic planning and public affairs for BMW South Africa and spent 16 years in the creative and client service departments of ad agencies, ending up as resident director of Lindsay Smithers-FCB in KwaZulu-Natal. Email Chris on moerdykc@gmail.com and follow him on Twitter at @chrismoerdyk.

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