Marketers must cut costs yet drive growth

By Thomas Oosthuizen

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2012 will be tough. Business will need to control costs and grow, despite global turmoil and low economic growth. Here are twelve questions marketers need to ask themselves this year.

Growth is the job of marketing - so our challenge as marketers will be significant.

Within difficult circumstances, we all tend to have knee-jerk reactions. Avoid that by doing your homework well before you act. Challenging times do not have margins for wastage - whatever you do must work and set the foundation for the future.

Be smarter than rivals

To me, this means we need to be smarter than our rivals. Having worked on many brands over the years, I have little doubt many marketers spend too much money on marketing. If you do your homework better, you can do better with less, without any loss of results. Conversely, some spend so little that they do not give their brand a fair chance. The truth lies somewhere in the middle.

Always remember, brand leaders spend more when times are tough, and the marketing literature have many examples of how such brands gain significant advantage during such times. Not all can spend more though, so you need to spend smarter.

In brand management, marketers *manage two things: the value of our brands, and the costs associated with it*. Whatever we do needs to create value, and we need to do it as cost-effectively as possible. If you leverage these two factors better than any rival, you will win.

In 2012, as a marketer, you will need to:

1. **Know your brand status - and move from there**

   If you know where you are and where you want to go, it is easy to plan how to get there. If you do not know, actions are anecdotal. Ask questions such as:

   - Why are you growing, not growing or declining? Are you losing customers - and why?
   - Do you know what your customers want and need?
   - Do you know your competitors?
   - Do you know how customers view your brand today? Does your brand have a distinctive point-of-difference?
   - Have customers tried your brand before, and if so, why do they not support it now ("does it deliver what it promises")?
   - Is the market stagnant or in decline?
   - What is the trend in your market share - in volume and value, and why is that?
   - What brands are gaining advantage - and why?
   - Can you redefine the market to attract more customers?
   - Who are the most likely customers you will attract and are they the ones you want?
   - What value can you add to your brand that will make customers "like it better" (even pay more for it)?

   Added together, *what will give your brand the maximum opportunity to grow customer value, hence revenue growth* *and profit margin?*

This is even more important when the market is tough, as the last thing you need is to loose good customers.

2. **Be clear on your objectives**

   What do you want to achieve?

   - It can only be two things: to retain - and gain - customers and to increase the value of your brand to them, hence retain your margin, hopefully even increase that.

   - If you want to retain customers, you need to deliver the product and service quality your customers require and keep your brand current.
   - Customers must know what they get for what they pay.

3. **Differentiation is key**

   Why must customers deal with your brand rather than competitors? This does not come easy, but forms the foundation of brand value: how do you satisfy customer needs uniquely? Do customers know that? Apple is not Apple for nothing.

4. **Identify easy wins**

   It is always easier to gain customers who are similar to the ones you already have. It is also easier to leverage your existing customer network for growth. Do not try and target over-saturated markets unless you have a significant competitive advantage, as you will waste a lot of money for little return. Aim for what is achievable with what you have.

   - Today, networks are easier to leverage with social media. Much of this takes time but costs little real money.

5. Be clear on your strategy

Depending upon the position of your brand, make sure you approach the market right. Being a brand leader requires a different approach from being a number two or smaller brand. As a rule of thumb, the smaller, the more differentiated and/or "niched" you need to be. The larger, the more generic you can be.

6. **Be clear on your positioning**

   Does your positioning communicate what sets your brand apart? Many brands do not have a clear positioning. If you do not know, how must consumers know?

7. This is not the time for esoteric advertising

Yet, whatever communications you do, it must be impactful enough to break through the competitive barrier: that will buy better "bang for your buck". But the creative must be relevant to your brand strategy and positioning. I believe in the principle that creative idea must tie brand and message together in a unique way.

8. **Align your marketing actions to your objectives:**

   If you want to acquire new customers, use wide-reach media types. If you need to retain, use direct-media types to talk to customers. Separate these objectives and determine actions based upon that.

   - Marketing activities must never become regimented. The fact that you did something before does not make it right.

- Remember that social media are about networks - they are not "hard-sell" tools. Consumers do not use social media for your benefit - they do it for themselves and for their friends. Putting your brand website onto Facebook undermines the very principle of social media. Posting staff comments disguised as customers is obvious. Yet an astonishing number of companies do exactly that!
- Delivering bad service while trying to talk to customers through social media can even destroy your company. It is like your bank manager sending you a Christmas card but refusing you a loan. Social media is about engagement on issues that matter to people and those they care about.

- Always remember, if your brand does not deliver the quality consumers expect, or it is not available where consumers want to buy it, first fix these. An airline can market as much as it likes but it first needs access to aircraft, staff and routes. Know what matters to your market.

9. **Do less, not more**

   This remains the most frequently made mistake in marketing. Rather do a few things well, with the right critical mass, measure them and progress accordingly.

   - Ask yourself often, "Does this activity contribute to my business objectives?" Know what works and know why. You will be amazed how often there will not be a clear answer - then just cut.

10. Integrate activities

From advertising, to social media, to retail store activation. Make activities visible at every consumer touch-point. Connect classic media with actions that make consumers buy, such as experiential marketing, social media and sales activation at retail level. This also means making sure staff deliver upon the brand positioning. The line between marketing, sales, the trade and operations needs to be very "thin" to be efficient today. In weak economic times, you will need to work even harder at this.

11. Measure

Invest in what works and then do it again. And again.

- Any CEO will invest in something that clearly works. Today we have a far greater opportunity to prove results with social media. But have a "results" consciousness at all times.

12. **Review and adjust as required**

    No plan is ever stagnant, but only adapt tactically within a strategic framework. Strategic brand management requires time and consistency. Be careful of getting scared and reacting - it is like advertising in supplements: it gobbles up budgets and most likely is only read by competitors!

I am a great believer in knowing where you are by doing your homework well, defining where you want to go and putting the steps in place to do that.

Consistent pattern

Ultimately, that means knowing how to add greater consumer value to your brand, yet doing that in the most differentiated and cost-effective way. Then measuring it. In the very least, it will establish a consistent pattern for brand management you can pursue for years to come.

Let us take 2012 on - it is always great to have to think harder again; it keeps us on our toes.

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