Bateleur
Brand Planning
Unlock Strategic Foresight

# Appreciating Marketing

## Whitepaper

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## INTRODUCTION

Successful business is all about Making Good Decisions. Good Decisions can only be made where they are based on good relevant information leading to an objective understanding.

## RELEVANT INFORMATION

We live in the Information Age. We are up to our eyeballs in information. With all this information about us how do we know what is relevant and what is not?

Keeping a cool and calculating head is a pre-requisite for identifying the relevant information to heap into both our human and mechanical databanks for analysis.

## THE OBJECTIVES OF THIS PROGRAMME

- ✓ To help you to distinguish between relevant information and red herrings in making business decisions.
- ✓ To help you to formalise Your thoughts about Your Business by providing you with a logical, easy to understand model of what the business is about.
- ✓ To give you a perspective on the interdependence of the various functions in a business and the need for well drilled co-operation. Everyone must "pull finger".
- ✓ To give you a better understanding of the importance of your role in the business.
- ✓ To help you to become more confident in your decisions.
- ✓ To demonstrate just how essential it is to have a sound understanding of your marketplace, and the importance of excellent customer service.

# SECTION 1: BUSINESS ORIENTATION

There are two broad approaches to business:

## THE ASSET LED APPROACH

Asset Led businesses ask themselves these questions:

- What skills and resources do we have?
- What customer needs exist to which our skills and resources can be profitably applied?

## THE MARKET LED APPROACH

Market Led businesses ask themselves these questions:

- What unsatisfied customer needs exist in the marketplace?
- What product and service must we develop in order to satisfy those needs?
- What skills and resources do we need in order to provide that product and service profitably?

The process starts with what the customer needs and works forward to what assets and resources the company must develop.

## WHICH APPROACH IS BEST?

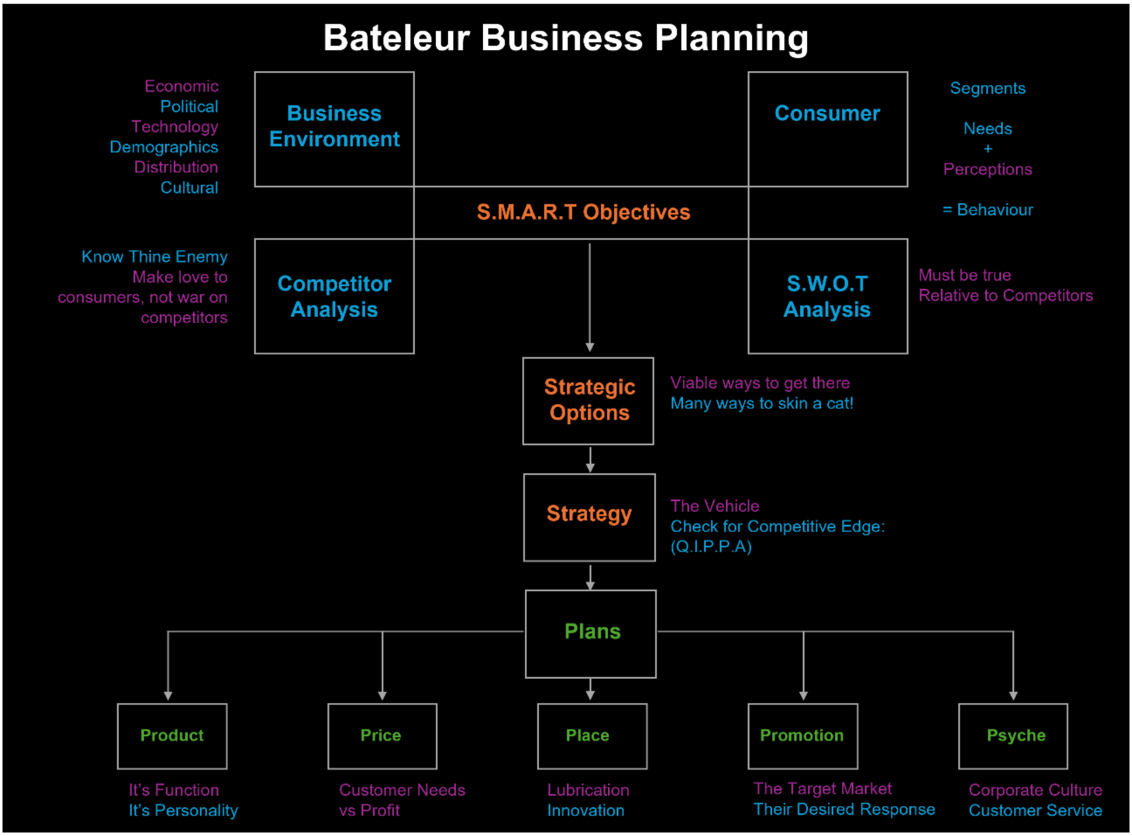
The Asset Led approach can work for companies with no competition. In this situation customers have no alternative but to buy from that company so meeting their needs exactly is not essential.

## SECTION 2: THE OVERVIEW OF BUSINESS PLANNING

This programme works on the premise that the Market Led approach to business is the right one. Taking note of and acting upon the needs of customers is paramount. Revenue, the lifeblood, comes from them and them alone.

Being led by the market demands an exceptional understanding and can only be derived from a careful study of the relevant facts about the market.

The diagram overleaf defines the parameters for the Market Led organisation's knowledge and understanding of its marketplace.



## SECTION 3: THE BUSINESS ENVIRONMENT

The Business Environment consists of a variety of factors over which none of the competitors in the market has any control.

Although they cannot be controlled, they must be well understood since they can have dramatic effects on your market.

### 3.1 ECONOMIC FACTORS

These are factors like:

- The strength of currency
- Interest rates
- Foreign investment
- GNP and GDP

### 3.2 POLITICAL FACTORS

These are factors like:

- Nationalisation versus privatisation
- Majority rule
- Capitalism versus socialism

### 3.3 LEGISLATIVE FACTORS

These are factors like:

- Deregulation (e.g. of Television)
- Monopolies laws
- Boards of control

## 3.4 TECHNOLOGICAL FACTORS

These are factors like:

- Robots in factories
- Satellite TV
- Computerisation

## 3.5 DEMOGRAPHIC FACTORS

These are factors like:

- Urbanisation
- Population growth
- Age of population

## 3.6 DISTRIBUTION FACTORS

These are factors like:

- Informal sector
- Reduction of trade inventory
- Effective handling
- Tailor-made packs for various trade sectors

## 3.7 CULTURAL FACTORS

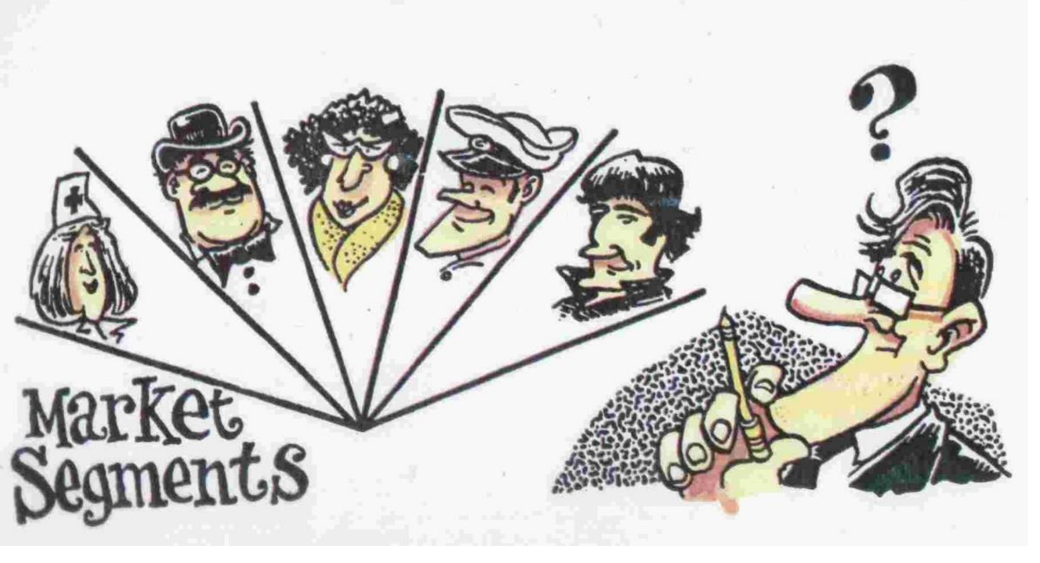
These are factors like:

- Food values of ethnic groups
- Language differences
- Belief systems

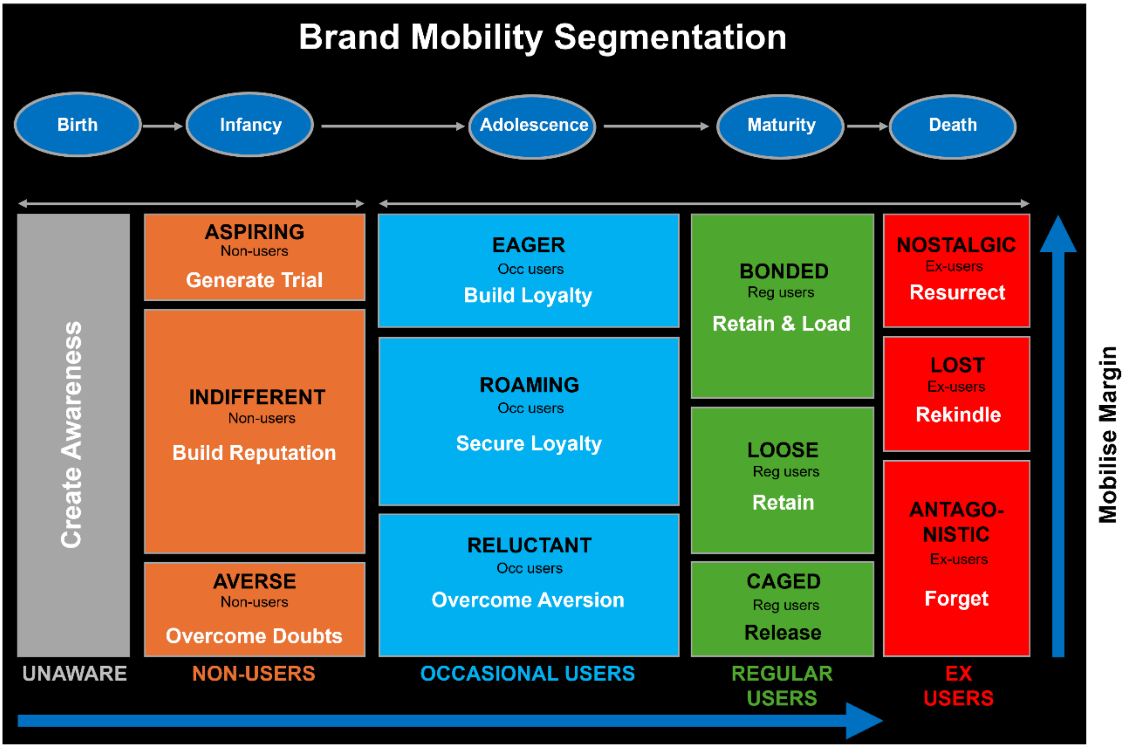
## SECTION 4: THE CONSUMER


We compete with our competitors for consumer spends. The Market Led approach demands that we understand the consumers very well.

### 4.1 SEGMENTS

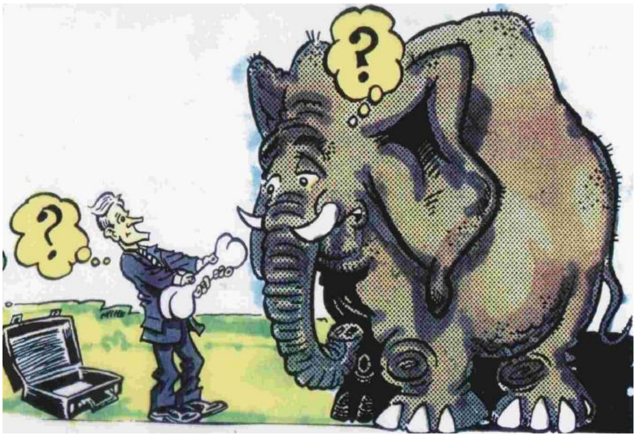


We must understand the various sub-sets of consumers which exist, called SEGMENTS. How do these Segments differ from one another? What is the relative size of each Segment?




Mobilise Turnover

## 4.2 NEEDS, PERCEPTIONS AND BEHAVIOUR



Marketing is all about getting customers to behave in a way which is favourable to your company.


## NEEDS

There are two types of Needs: Rational Needs / Emotional Needs.

Rational Needs are those in relation to the product itself and its performance. For example: I am hungry, therefore I need food.

Emotional Needs are those in relation to the image of the product and who uses it. For example: I drive a Mercedes Benz because it says something about how successful I am.

## PERCEPTIONS

Only if the customer's needs are well matched by his or her perceptions of your product, will they buy your product. We can only induce Desired behaviour by influencing the consumers' perceptions about your product or service. These perceptions can only be influenced in 3 ways:

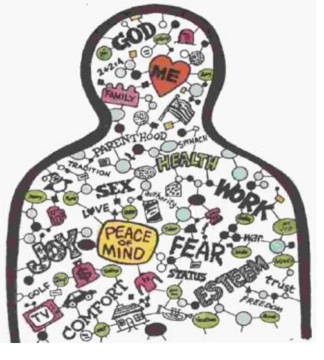
- we can modify existing perceptions
- we can reinforce existing perceptions
- we can create new perceptions

Again, there are 2 broad types of perceptions:

- Perceptions about product Performance
- Perceptions about Users of the product

Performance Image is the perception which consumers have about the performance of your product. For example: great tasting snacks. Fast car. Effective soap powder.

User Image is the perception which consumers have about the people who use your product. For example: Mercedes Benz are driven by rich people. Jelly Tots are eaten by kids. Texan Cigarettes are smoked by rugged "he men".



## BEHAVIOUR

All our efforts are aimed at affecting the consumers' behaviour in a way which is favourable which we are aiming for unless we understand how consumers are currently behaving.

## BATELEUR'S BRAND EVOLUTION MODEL

### 1. AWARENESS (PRE-PURCHASE) - BRAND BEING

The birth of a brand only happens when the brand is born in the minds of customers. If the brand is not part of the data in their memories, then it does not exist, and is not in fact a brand.

The first step towards the evolution of a brand to its fruition, is the creation of AWARENESS of the brand in the minds of as many of the target market consumers as possible.

From a research point of view, it is imperative to take a reading of brand awareness at every opportunity. If brand awareness is low, it needs to be grown before the next phase in brand evolution can happen.

### 2. REPUTATION (PRE-PURCHASE) - BRAND EXPECTATIONS

Once the target market knows of the brand a brand reputation needs to be built to keep the brand in their memories. Only when the reputation is good will the next phase in the brand's evolution happen.

The big question is - "for what must the brand have a good reputation?" The short answer is - "a brand must have a reputation for being able to satisfy the needs of the customer".

If the brand is perceived to have the ability to satisfy the needs of the customer better than its competitors can, then there is good reason for customers to buy it.

From a research point of view, it is imperative to understand the relationship between the customers' needs and their perceptions about how well the brand satisfies those needs, relative to how well the competitors are perceived to satisfy the same needs.

This makes it almost mandatory to measure the relative importance of customer needs, as well as their perceptions about each of the competing brands.

Marketing becomes "a game of managing the perceptions of the customers to create a best fit with their needs in order to grow a good brand reputation in the memory banks of as many consumers in the target market as possible". (The source of our definition of marketing is Allan Snyman (Operations Director CNA) who always refers to marketing as "the management of customer perceptions".)

Viewed this way Marketing seems simple. But the needs of the customer in any given product category are so numerous, complex and emotional, that the marketer has his work cut out trying to identify all the needs, let alone know how well his brand fares on each of the important ones, relative to the competitors.

## 3. AFFINITY (PRE-PURCHASE) - BRAND LIKING

By now the brand is well known and customers are thinking good things about it. By default, what happens is that customers start to think that they will like the brand. If they are given as much opportunity as possible to buy or use the brand, then provided they have the means, they will.

Pre-purchase Brand Affinity is a direct measure of propensity to buy or use. Like awareness it should be measured and noted at every market research opportunity.

## 4. DISTRIBUTION - BRAND ACCESSIBILITY

At this stage the ease with which the customer is able to access the brand will be the determinant of brand sales. A weak brand distribution channel has seen the demise of many a good brand.

Again, from a researcher's point of view, factual data about the customer's ease of being able to access the brand is vitally important.

## 5. BUYING BEHAVIOUR - BRAND CONSUMMATION

Only now will the brands that are well known, have a good reputation, are liked and are easily accessible to customers, get used or bought.

Measuring the customer's brand buying behaviour is another critical measure which should be taken at every research opportunity. It is a measure of the brand's coming to fruition.

Arguably it is only at this stage in the brand evolution that the brand can truly call itself a brand. Sustained regular brand usage, by as many customers as possible is the ultimate goal for any brand.

## 6. REPUTATION (POST-PURCHASE) - BRAND JUDGEMENT

A brand's pre-purchase reputation has its roots in the customers' expectations about the brand. The post-purchase brand reputation has its roots in the customer's experience with the brand.

If the brand fails to live up to the customers' pre-purchase expectations about its abilities to satisfy their needs, then its post-purchase reputation will be tarnished.

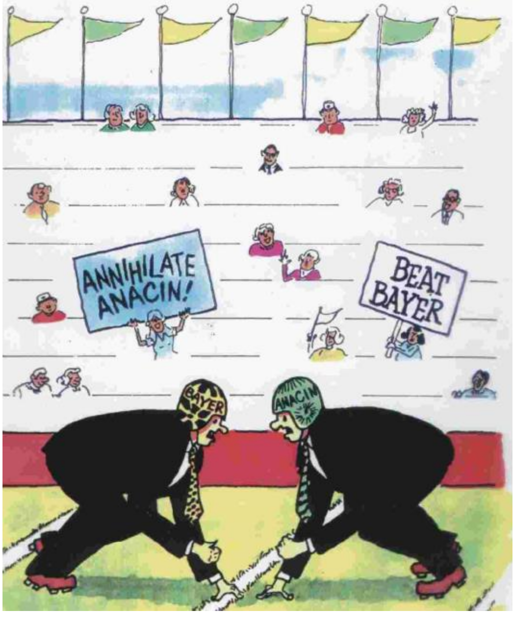
Alternatively, if the brand was found to satisfy the customers' needs to the level of, or beyond their expectations, then the post-purchase reputation will have been enriched, and the chances of them buying the brand again are greatly enhanced.

## 7. AFFINITY (POST PURCHASE) - BRAND BONDING

Brands with a lower post-purchase affinity than their pre-purchase affinity are doomed to fail, unless the product efficacy of the brand gets enhanced.

Conversely those with a higher post-purchase affinity are destined to form a bond with customers which will last for as long as the brand continues to deliver to the level of, or beyond the customers' experienced-based expectations.

## SECTION 5: THE COMPETITION



If you can run the 100 meters in 10.1 seconds, and you know that your competitor can run it in 9.8 seconds, don't run the race if you want to win. In this example you can only avoid defeat if you know your competitor's racing time.

The same is true in business markets, and for this reason it is imperative that you have a good understanding of your competitors and their capabilities.

Remember: They are competing for the same consumer Rands as you are!

## 5.1 DIRECT AND INDIRECT COMPETITION

Sometimes just who we are competing with is not obvious. If you want to know who your competitors are ask your customers, not the board of directors.

Direct competitors are those who have similar products to those of your own.

For example:

- Willards and Simba
- Carlton Paper and Nampak

Indirect competitors are those who offer alternatives to your product. It might not be so obvious to both Simba and Willards that they are competing with a host of food manufacturers including:

- pie manufacturers
- ice cream manufacturers
- cold drink manufacturers
- biltong
- and even Weight Watchers!

## 5.2 KNOW THINE ENEMY

It is better to "Make Love to your Customers" than to "Make War on your Competitors". In other words, know what your competitors are up to, but do not be obsessed about it. Here is a list of the various sources of information about your competitors:

### RECORDED DATA

- Market/consumer research
- Annual reports
- Credit reports
- Trade press
- Employee journals
- Technical journals
- Business press
- Media spends

### OBSERVABLE DATA

- Competitive pricing
- Promotions
- Patent applications
- Test markets
- Advertising
- Planning applications

### OPPORTUNISTIC DATA

- Equipment suppliers
- Raw material suppliers
- Packaging suppliers
- The trade

When considering your competitive situation in your business think about it in terms of:

| | |
|---|---|
| COMPETITIVE THRUSTS | ✓ What are their objectives and how are they going about them? |
| COMPETITIVE PRICING STRATEGY | ✓ This may give clues about their general strategy, whether they are high or low-cost operators. |
| COMPETITIVE DEVELOPMENTS | ✓ Have any new players entered the market, (either direct or indirect)? Also have there been any mergers or acquisitions? |

## SECTION 6: INTERNAL CAPABILITIES


We must develop a good understanding of our own capabilities and limitations in order to evaluate which options open to us are viable.

Here the trusted SWOT analysis comes to the fore. The SWOT analysis is a planning tool which summarises your strengths and weaknesses, as well as the opportunities and threats facing you.

Here are some rules for the useful application of SWOT:

Keep it brief.

Relate the strengths and weaknesses to factors you have identified as key for success.

State strengths and weaknesses in COMPETITIVE terms:

DO NOT SAY: “We have good selling skills and excellent products,”

DO SAY: “We have better selling skills than our competitors and the best products available.”

Be as specific as possible.

Do not be too limiting:

e.g. Consider technology opportunities and risks, and the company's relative cost position versus competitors.

vi. Be objective and realistic.

Done properly the SWOT analysis will point the directions most logical for you to follow and will help determine your objectives and strategies.

## SECTION 7: OBJECTIVES, STRATEGIES, AND PLANS


Once we have gathered all the relevant information together about:

- THE BUSINESS ENVIRONMENT
- THE CONSUMER
- THE COMPETITION
- OURSELVES

then we are in a position to set objectives and start the process of "grinding out the strategic base."


Objectives describe the "destination" and are usually expressed in revenue or profit terms. For example: Our objective might be "to go to Cape Town to attend a meeting."

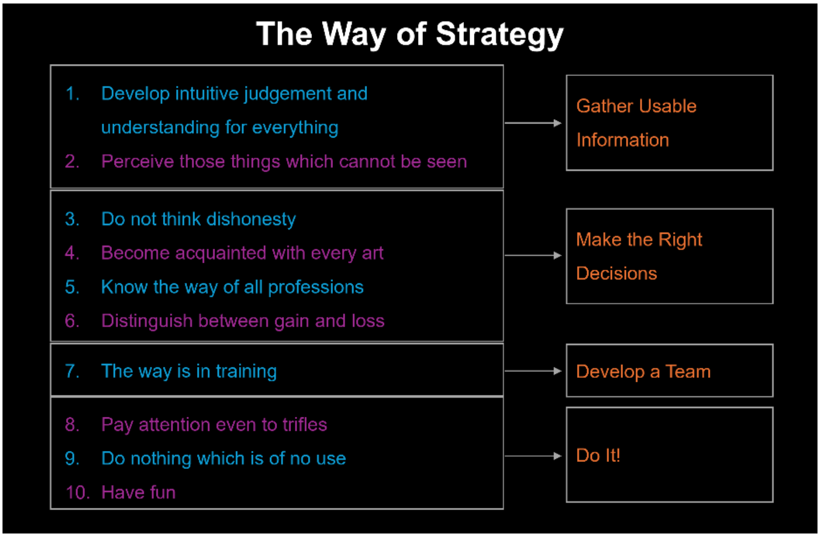
In order for objectives to be meaningful they must be "SMART". That is:

- Specific
- Measurable
- Achievable
- Relevant (to some higher mission)
- Timed

Strategies describe the "route to" or means of reaching the "destination". Often there are a number of strategic options available, and each one requires careful evaluation before choosing the final one. For example: Our Strategic options for getting to our meeting in Cape Town are numerous:

- Fly
- Drive
- Rail
- Walk! Etc

**AN OBJECTIVE IS WHAT YOU WANT TO ACHIEVE, A STRATEGY IS HOW YOU PLAN TO ACHIEVE IT**




The difficult bit is in the selection of the chosen strategy. Here is a simple rule of thumb to apply:

Look for the strategy which is viable in terms of your resources and check to see whether it will give you a Competitive Edge in one or more of the following areas:

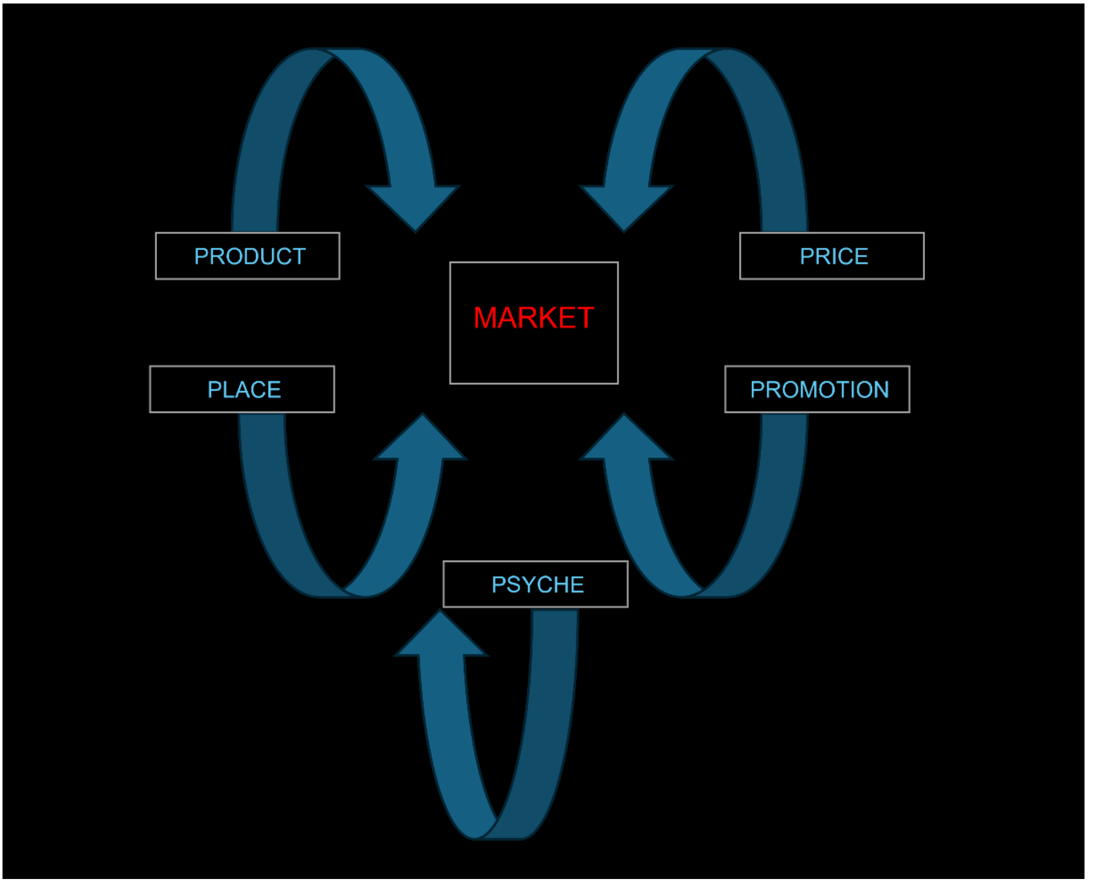
- Quality
- Image
- Price
- Product Performance
- Availability

If it does not give you the edge over your competitors in one or more of these areas, then look for more alternatives.


Plans describe the “vehicle” for reaching the “destination” along the chosen “route”. They represent the detailed execution of the strategy. For example: Let’s assume that we decided that our strategy for getting to Cape Town is to fly there. We will need to make plans relating to:

- buying a ticket
- packing luggage
- getting to the airport
- hiring a car in Cape Town etc.


## SECTION 8: THE MARKETING MIX

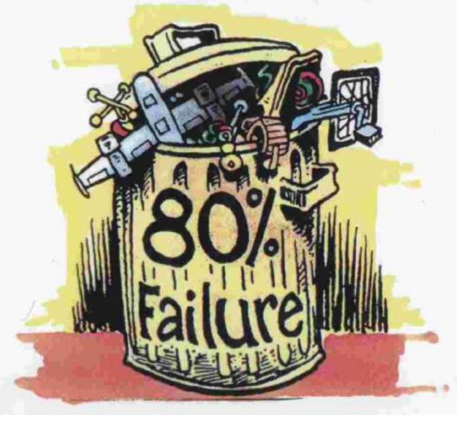



The Marketing Mix consists of all the variables which the marketer can directly influence. Classically known as The Four P's the variables are:

- THE PRODUCT
- THE PRICE
- THE PLACE
- PROMOTION

There is also a *Fifth P* which is not mentioned in all the textbooks, which is absolutely critical. We shall call it THE PSYCHE.

## 8.1 THE PRODUCT




When considering the Product, it is essential to consider both Product Extrinsics and Product Intrinsics.

Product Extrinsics are image qualities which attach to the product.

Product Intrinsics are physical product qualities.

This example explains more clearly:

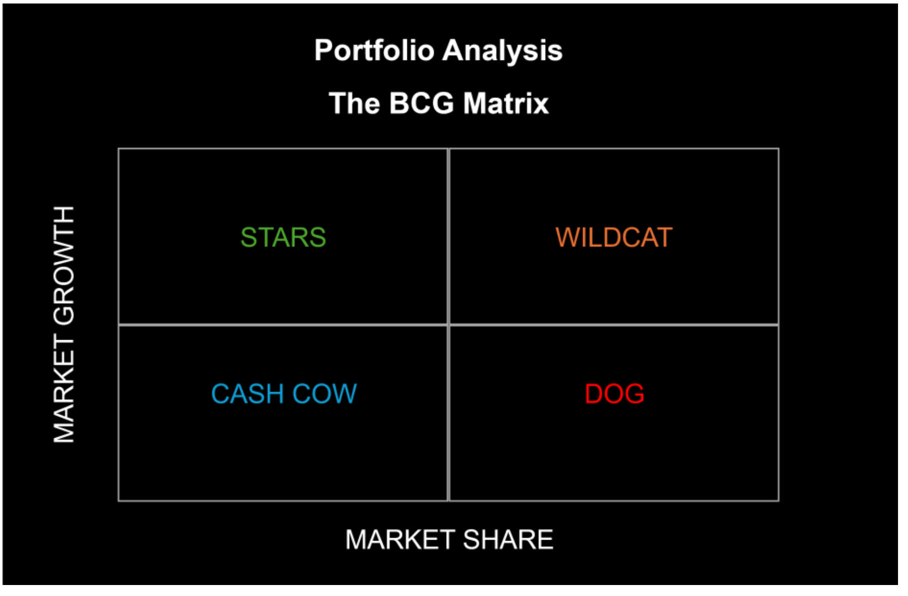
| | |
|---|---|
| **COMMODITIES:** | ✓ Take sugar and water: They are commodities (Intrinsic) |
| **PRODUCTS:** | ✓ Process them into cola drinks and you have products (Intrinsic) |
| **BRANDS:** | ✓ Market them and promote them into Coca Cola and Pepsi and you have brands (Extrinsic) |

## THE DEFINITION OF A BRAND

A brand is a product which has been elevated to a higher worth than its physical value (Intrinsic value) by virtue of the addition of added value in the form of image (Extrinsic value).

## THE CLASSIFICATION OF PRODUCTS

### The Boston Consulting Group Share/Growth matrix




There are numerous models which classify products according to their standing in the marketplace. The BCG Matrix is widely used. Here products are classified according to 2 factors:

i. Relative Market Share
ii. Rate of Market Growth

Such classification provides the marketer with a good idea of what strategic actions to take.

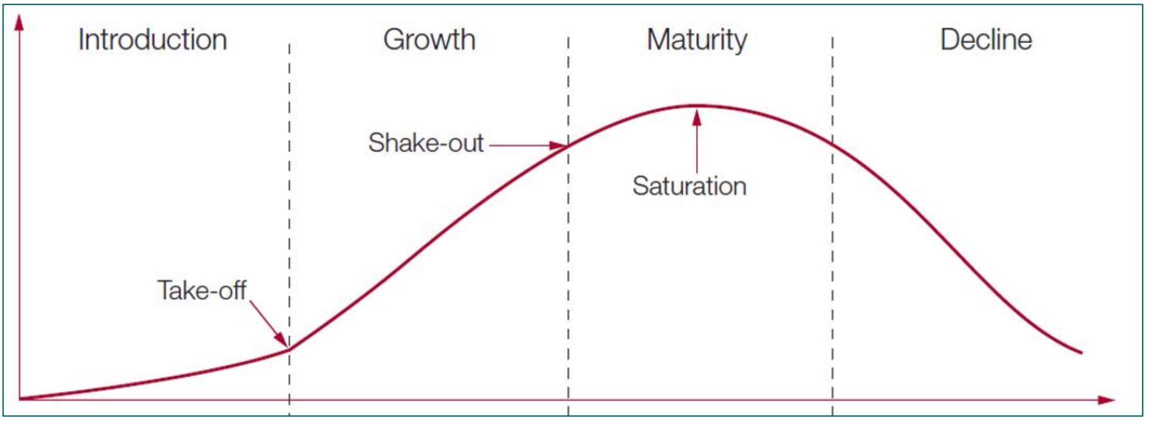
Relative Market Share means the market share of the product under scrutiny in relation to the market shares of other products in the market i.e. Where does the product rank in size in the market?

Rate of Market Growth means the rate of growth of the whole market including all products. Growing markets are more attractive than declining ones.

| | |
|---|---|
| **THE STAR** | ✓ Stars are products with a high share of a market which is growing well.<br>✓ They are usually profitable, and marketing spends have levelled off to maintenance level. |
| **WILDCATS** | ✓ Wildcats are products which have a low share of a market which is growing well.<br>✓ They are usually unprofitable. There are 2 broad strategic options:<br>i. Invest heavily in physical product improvement and/or marketing spend to create a Star; or<br>ii. Stop investment and milk the product |
| **CASH COWS** | ✓ Cash cows are products which have a high share of a market showing low growth.<br>✓ They are generally profitable as a result of low support spends and low levels of competition in low growth markets. |
| **DOGS** | ✓ Dogs are the real losers. They are products with a low share of a market showing low growth.<br>✓ As lacklustre products they deliver modest profits. |

## THE PRODUCT LIFE CYCLE

Another clue to strategic direction for a product is to be found by looking at the "age" of a product. Where is it in its life cycle?




| | |
|---|---|
| **INTRODUCTION** | ✓ Product introduced. Consumer trial starts. Low profitability because of high start-up costs and marketing investment.<br>✓ Stimulate trial with promotions and low price. Boost awareness with high ad spends. |
| **GROWTH** | ✓ Consumer trial growing. Profits still low owing to high marketing spends.<br>✓ Continue to promote trial and awareness. |
| **MATURITY** | ✓ Rate of trial gains slowing. Profits looking up owing to reduced marketing spends. Pointless looking for more trial and awareness – maintenance marketing.<br>✓ Look for product improvements. |
| **SATURATION** | ✓ Consumer trial static (saturated). Aim is to hold position. Profits peaking as marketing spend is at its lowest level. |
| **DECLINE** | ✓ The product is losing ground. Trial and frequency declining. Efforts to halt decline are expensive and profits are falling.<br>✓ Cut all support or re-launch a new improved version back in the Introductory Phase. |

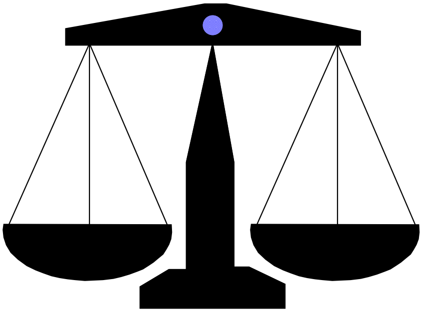
Now go back to the Product Life Cycle diagram on the previous page and identify where your company's products lie.

## 8.2 THE PRICE


There are textbooks about pricing, with very good reason. The price of our products determines the amount of revenue flowing into the company and the profit we make. It is not possible in the short time available in the programme to go into much detail about the delicate art of pricing. What we will do is teach you some vital principles:

### Balancing Consumer Needs and Profit Needs:

**PRICE**

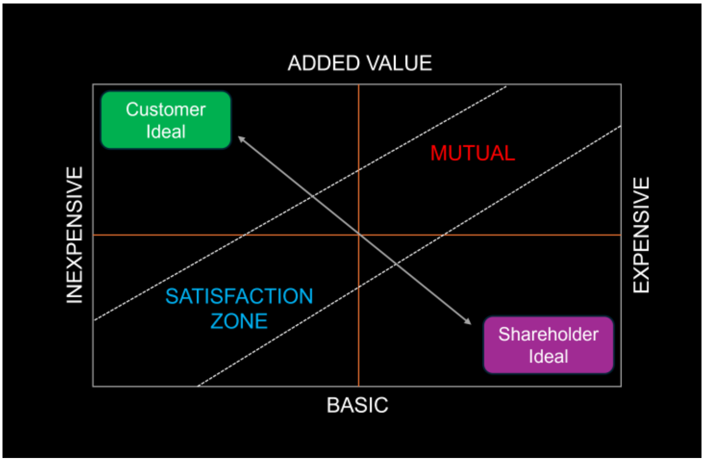


**People** **Money**

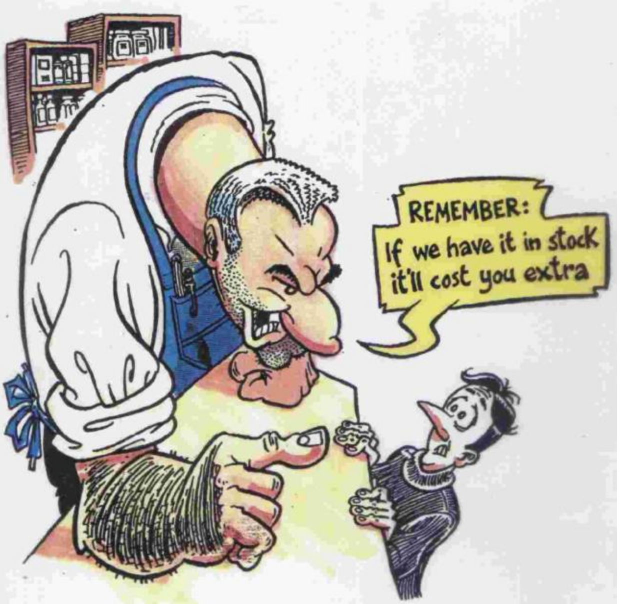
**NEEDS** **PROFIT**

The Consumer Pricing ideal is diametrically opposed to the Company's Pricing ideal:

Higher Prices are less Attractive than Lower Prices:

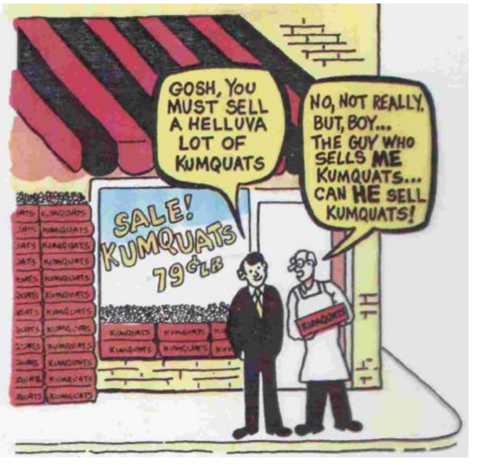



## 8.3 THE PLACE




This is where the consumer buys our product. If we have no distribution of our product then consumers cannot buy it and will buy the competitions' product. The more stock we have available the greater the chance that the consumer will buy it.

**REMEMBER:** Stock sells Stock



It is common sense that distribution is probably the most crucial element in the marketing mix.

## TYPES OF DISTRIBUTION CHANNELS

Types of channels differ from industry to industry. In most FMCG markets distribution is achieved through a network of retailers and wholesalers.

### The evolutionary nature of the trade

Getting the retailer to sell your product over that of the competition is becoming increasingly difficult. It is also imperative that you do so.

The difficulty arises from the evolutionary nature of the trade. In the past the retailer regarded himself as the manufacturer's selling agent. But retailers have begun to realise the importance of looking after their own Brand Image in the very competitive business which they find themselves. They are becoming increasingly market led activity seeking out unique and superior consumer benefits for themselves.

Because of this, the retailer now regards himself as the consumer's buying agent and will not support products which do not enhance his own brand image.

The high level of retail (and Wholesale) competition and the desire for a brand retail image has resulted in a concentration of retail power. The way to get ahead, it seems, is to buy out the competition. The result is an enormously powerful retailer whom the manufacturer cannot afford to have missing from his distribution network.

## Lubricating the Network

Trade promotion is the tool used to facilitate the flow of goods through the trade. As with consumer promotions trade promotion is merely a way of short-term lubrication of the distribution network. It is not a cure for sagging brands.

When a consumer promotion is planned it is essential to ensure that a fair proportion of the spend is directed at trade lubrication. After all, if our consumer promotion does not flow smoothly through the trade, then the consumer will not see it.

Most trade promotions are built around increasing the trades' margin for a temporary period in return for increased trade purchases.

## The need for innovation of new trade channels

Finding new ways for making it easier for consumers to buy your product is a strategic imperative. The creation of innovative channels of distribution requires a lot of effort as there is often no existing infrastructure in place.

Here are some ideas:

- Ice-cream cabinets on garage forecourts
- Guronsan-C tablets in condom vending machines
- XXX mints on sale in bars, pubs and shebeens

## 8.4 PROMOTION

Promotion involves changing consumer perceptions and includes any ways in which you can possibly communicate with your consumers.

There are numerous forms, and the golden rule is that they are most effective when they are integrated.

## ADVERTISING

### How does it work?

1) It creates awareness of the existence and advantages of a product. Consistent awareness of a product results in trial and sales stimulation.

2) It reinforces favourable attitudes which may already exist as a result of:
    - Past experience of the product
    - Recollections of advertising
    - Opinions of friends
    - Impression of packaging etc

3) It counteracts unfavourable attitudes.

4) It imbues a product with a favourable image, which may turn a product into a brand.

### What are the limitations?

1. High market noise level.
2. Saturation of consumer memory.

### Wear your seatbelts!

Prior to legal enforcement of wearing a seat belt in the UK, the Department of Transport spend 5 000 000 (Pounds Sterling) advertising the needs/benefits of wearing one.

All cars were fitted with belts, people acknowledged that they ought to wear one, and there was no alternative product available.

But here are the results of the advertising:

| | |
|---|---|
| PRIOR to advertising | 28% of motorists wearing a seatbelt |
| POST advertising | 33% of motorists wearing a seatbelt |

An improvement of only 5 percentage points. The odds looked good for success, yet the advertising did not work hard enough.

Like anything else, advertising is not difficult to do but difficult to do well. The odds are stacked against success in the form of "high market noise-level" and the "consumer's saturated memory".

## SALES PROMOTION

| | |
|---|---|
| **CONSUMER PROMOTION** | ✓ Is targeted at the consumer with a view to PULLING stock through the trade. |
| **TRADE PROMOTION** | ✓ Targeted at the trade with a view to PUSHING stock into the trade. |

### How does it work?

1. It gets the product an 'interview' with the consumer by TEMPORARILY adding value.
2. It can be used to stimulate consumer trial amongst new users e.g. Sampling Campaigns.
3. It can be used to encourage existing users to use more in the short term e.g. 15% extra free product.

### What are the limitations?

1. Sales promotion has a temporary effect only on a brand. It does not add long term benefit to a brand.

2. Sales promotion works best on growing brands. It may slow down a declining trend, but it will not reserve it.

## PROMOTIONAL STRATEGY

### Target Consumer Profile

TARGET GROUP NAME

(Give your target group a shorthand name. Something which describes who they are in a way which is relevant to your task).

"PROBLEM" TARGET GROUP SEEKS TO SOLVE OR NEED THEY WANT TO SATISFY (Why does the target group need your brand or category?)

ATTITUDES AND EXPERIENCE WITH THE CATEGORY

(Have they tried it? Adopted? Rejected? Positive and negative perceptions)

ATTITUDES AND EXPERIENCE WITH THE BRAND

(Awareness. Trial. Usage)

VALUES AND LIFESTYLES

(What do we know about the target group as people?)

### DEMOGRAPHICS

(Age, gender, income, marital status, occupations, etc)

## Creative Strategy Brief

### CONSUMER NEEDS

(What consumer needs are we addressing?)

### DESIRED CONSUMER BEHAVIOUR

(What action do we want the target consumer to take – try, retry, use the brand more, etc?)

### DESIRED CONSUMER BELIEFS

(How specifically will advertising contribute to achieving the desired consumer behaviour?)

### CONSUMER PROMISE

(What is the one rational or emotional benefit that will have the most influence on creating the desired beliefs?)

### SUPPORT

(What is the key idea or fact, that justifies this promise?)

### PERSONALITY OF COMMUNICATION

(How will we address the consumer? What style or feeling will the advertising convey? What image do we wish to project?)

# SPONSORSHIP

## What is Sponsorship?

Sponsorship is the provision of financial or material support by a company for some independent activity not directly linked to the company's normal business; but support from which the sponsoring company would hope to benefit.

## The difference between Advertising and Sponsorship:

| ADVERTISING | SPONSORSHIP |
|---|---|
| Direct promotion of a company or its products | Indirect communication of a company or its products |
| Company/Brand at the Forefront of the activity | Company/Brand name may be incidental to the activity |
| Overtly commercial | Less overtly commercial |
| Greater potential for long term memorability and impact | Lesser potential for long term memorability and impact |

## The 4 Main Objectives of Sponsorship

1. To increase the awareness of the Company/Brand positively
2. To improve customer relations
3. To enhance a company's image within a community
4. To boost employee morale

## 8.5 THE CORPORATE PSYCHE

Corporations and companies, like individuals, have a personality. Like human personalities, some corporate personalities are warm and friendly whilst others are aggressive and hostile.

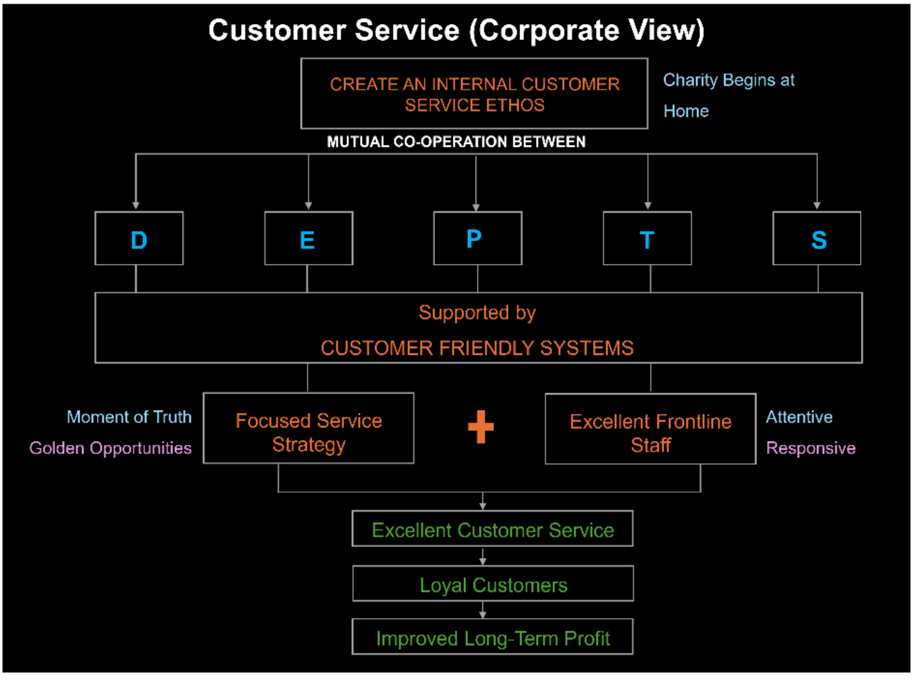
The corporate psyche affects the company in two ways:

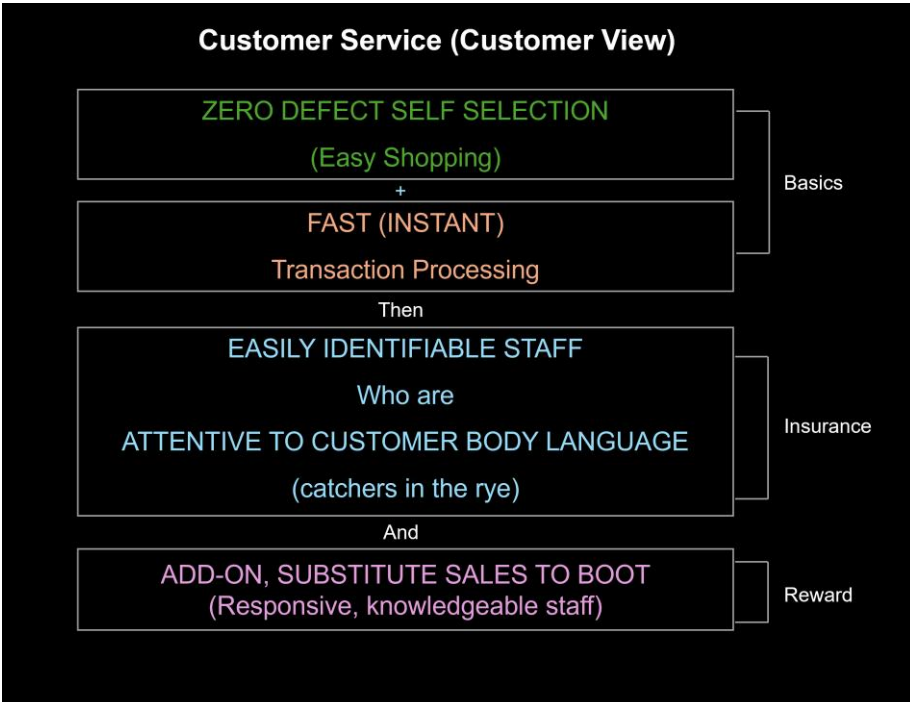
Firstly, it has an effect on the staff working there. In a happy and mutually co-operative environment people will work better than in a highly political and selfish environment.

Secondly, it has an effect on the customers. After contact with the company, the impression with which the customer leaves will determine his decision about whether or not to use the company again. If too many customers decide not to use the company again it will soon be out of business.

The most successful companies are those with happy staff and happy customers. (It is almost impossible to have unhappy staff and unhappy customers.) Keeping the customers happy might seem obvious because it is imperative, but how is it done?

Here is the model of how EFFECTIVE CUSTOMER SERVICE BEHAVIOUR is achieved in a company.


Customer Service (Corporate View)
CREATE AN INTERNAL CUSTOMER SERVICE ETHOS
Charity Begins at Home
MUTUAL CO-OPERATION BETWEEN
D
E
P
T
S
Supported by
CUSTOMER FRIENDLY SYSTEMS
Moment of Truth
Golden Opportunities
Focused Service Strategy
+
Excellent Frontline Staff
Attentive
Responsive
Excellent Customer Service
Loyal Customers
Improved Long-Term Profit


Customer Service (Customer View)
ZERO DEFECT SELF SELECTION
(Easy Shopping)
+
FAST (INSTANT)
Transaction Processing
Basics
Then
EASILY IDENTIFIABLE STAFF
Who are
ATTENTIVE TO CUSTOMER BODY LANGUAGE
(catchers in the rye)
Insurance
And
ADD-ON, SUBSTITUTE SALES TO BOOT
(Responsive, knowledgeable staff)
Reward

## THE FRONT-END DELIVERY OF THE COMPANY MUST BE MIRRORED BY ITS INTERNAL INTER-DEPARTMENTAL SERVICE DELIVERY

It is no good leaving the sole responsibility of keeping the customers happy to the people in the front-line. It is the responsibility of the whole organisation and all departments.

Department" A" must see itself as a supplier to Department" B", its customer. It is only when this ethos is in place that excellent customer service can happen.

All people and departments must co-operate with each other.

This will happen provided:

### THERE IS A SOLID SERVICE STRATEGY IN PLACE

There must be a clear strategy aimed at achieving Excellent Customer Service. This means that the company must AT ALL TIMES have a clear understanding of how it is perceived in the eyes of its customers. Without such an understanding it is impossible to strategize the best ways to improve Customer Service.

### FRONTLINE PEOPLE ARE EFFECTIVE

The people at the interface with the customers must be attentive and responsive.

### CUSTOMER FRIENDLY SYSTEMS ARE IN OPERATION

The systems must be designed to serve people both inside (staff) and outside (customers) the organisation.

## IDENTIFY THE MOMENTS OF TRUTH

In formulating the Service Strategy, it is imperative that we have a clear understanding of the "moments of truth" when the customers' perceptions can be affected.

For example:
In the Airline Industry here are some of the "moments of truth":

- making the travel booking
- check-in
- departure time
- in-flight service and catering
- baggage retrieval

Good airlines focus on these situations as being critical deciders of whether the passenger will choose them again in the future or not. A company need only trip up on one of these moments of truth occasions to lose the customer in the future.

**About the Author**

*Gordon Hooper (gordon@batbrand.co.za) is the Managing Director of Bateleur Brand Planning, a market research company. A civil engineering and business administration graduate of UKZN and Wits, Gordon founded Bateleur in 1988. In the ensuing years, he and the Bateleur team have provided South African businesses with quality and innovative consumer and employee research insights to inform brand strategy. Gordon firmly believes in providing exclusive strategic alignment to clients and ensuring that consumer and employee research insights find a proper home in profitable strategies.*

Visit the Bateleur Brand Planning website.