

THE 9 POINT PLAN FOR SUSTAINING AND GROWING YOUR MARKET PROFITABLY

An important premise of this book is that, to achieve a genuine understanding of your marketplace, it is important for you, whether you are a general manager or a marketing/sales specialist, to have a holistic view of all the areas which are liable to impinge upon the way in which your organisation is regarded in the marketplace. This is for two reasons:

- *‘If it’s Tuesday, it must be market segmentation and customer satisfaction and branding and . . .’*: In the real world, customers and other stakeholders are being bombarded with a multitude of stimuli which work in combination, not in isolation, to shape their motivations and their attitudes towards your organisation. To take an obvious example, your customers’ attitudes towards you are influenced not only by how satisfied they are with your service but also by how highly they regard your brand, a point elaborated upon later in the book. Yet many companies,

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marketing gurus and authors of marketing textbooks often focus on these topics as though each operates in a vacuum, divorced from the impact of what else is swirling around in the mind of the customer. The point being made here about customers applies to other stakeholders and opinion formers as well: how the financial community or the media see you, for example, is liable to be influenced not only by your financial performance but also by the image you project through communications activity, reports on how satisfied your customers are with you and evidence of new product/service development.

- ‘2 plus 2 can make 5’: Taking a holistic view enables you to see connections and draw conclusions which may be missed if each area of examination is considered in isolation. Let us return to the customer satisfaction and brand example. Say you are doing everything necessary to improve your service performance and make your customers satisfied, yet these efforts are not rewarded by enhanced satisfaction levels, let alone improved business performance. This disconnect could be explained if it were found that the organisation’s brand strength fails to match its performance levels. This is because the evidence suggests that a strong brand can have a ‘halo’ effect on customer perceptions of service performance and, ultimately, on the organisation’s business performance. Looking at customer satisfaction and brand ‘side by side’ can, therefore, offer insights which would be missed if each area of investigation were examined in isolation.

So what is the 9 point plan for sustaining and growing your market profitably? It is a summary of the key areas, shown in Figure 1.1, which you should review when assessing your organisation’s competence in understanding your marketplace. A professional approach in all these areas will help you not only to strengthen your organisation’s standing in your marketplace but

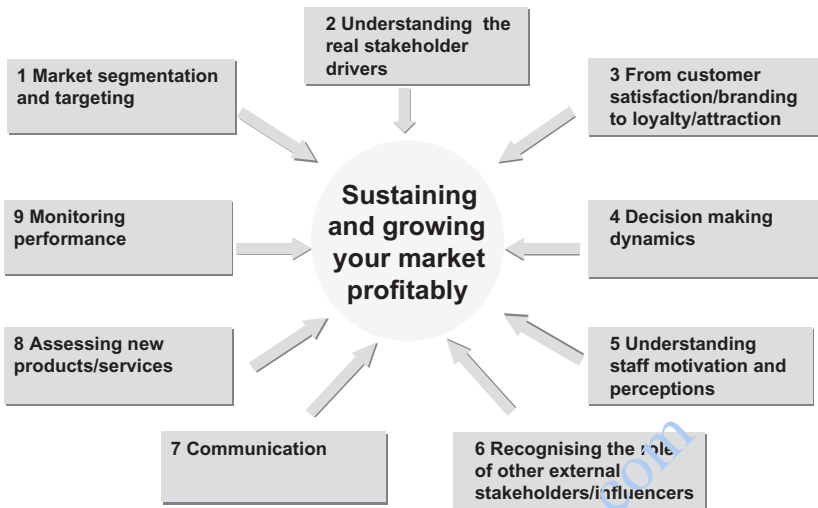


Figure 1.1 The 9 point plan for sustaining and growing your market profitably

also to place resources where they are most likely to make an impact; it is for this reason that an important aspect of the 9 point plan is the recognition of the need to take actions which enhance your company's profitability. For example, anyone can make customers happy by throwing resources at them, but it is only by knowing what is critical in influencing customer decision making that you can make the best use of your resources, thereby increasing profits.

The rest of this book will show how each of the nine areas shown in Figure 1.1 can be tackled so as to enhance your business. Figure 1.2 illustrates the fact that these areas can also influence one another. This point should become evident as we go through the various chapters, but here are a few examples of these interlocking influences:

- Segmenting your market (point 1 in Figure 1.1) enables you to identify the key drivers of decision making (point 2) within each market segment, thereby enabling you to adopt a

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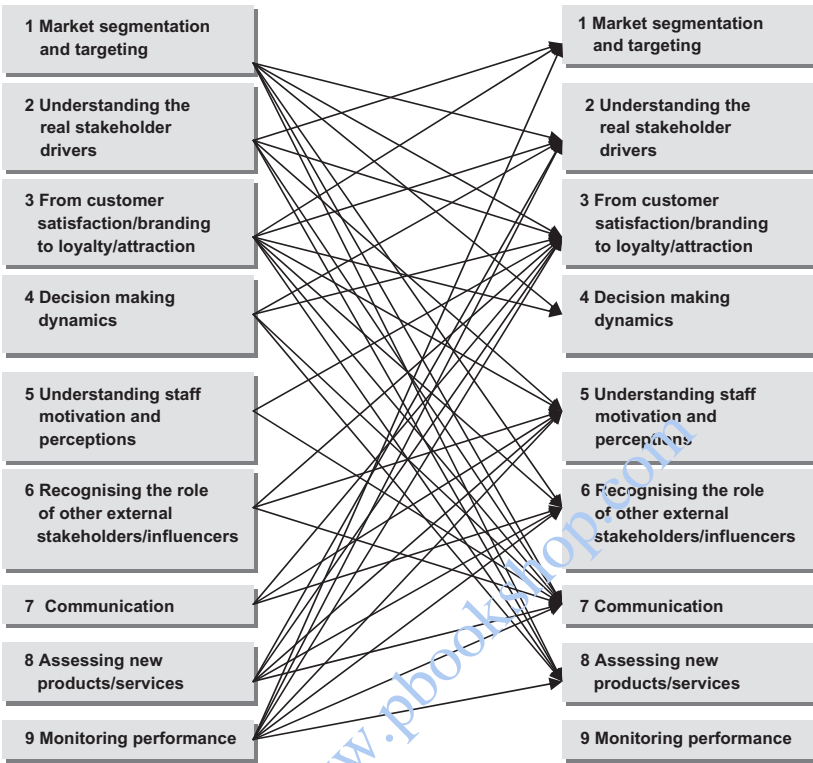


Figure 1.2 Interlocking influences

tailored, rather than a scatter gun, approach to your market; it also reveals how customer attitudes (point 3) may vary from one segment to the next. There can at the same time be a reverse effect: knowing what drives your market (point 2) can in turn form an important basis for your market segmentation (point 1), as Chapter 2 will show.

- Knowing the key market drivers (point 2) will help you to better satisfy your customers (point 3), correct staff misperceptions about market needs and desires (point 5), communicate more effectively by focusing on what really matters to your target market (point 7) and offer new products and services which are most likely to satisfy market requirements (point 8).

However, again there is a reverse effect: if you discover that your market is not satisfied with your performance (point 3), or that your new products/services are not as successful as planned (point 8), this may be because you are losing touch with market needs and focusing on the wrong offers, in which case you may need to revisit exactly what the key market drivers are (point 2).

The interlocking influences of the various areas of activity shown in Figure 1.2 reinforce the need, referred to earlier, for a holistic approach, which recognises that there are a number of factors, all operating in conjunction with one another, which can influence perceptions about your organisation in your marketplace.

The rest of this book will take each of the nine topics shown in Figure 1.1 one by one, starting with segmentation. For each topic, we will guide you through the factors which need to be taken into account if you are to maximise the strength of your organisation's stakeholder balance sheet. As Figure 1.1 shows, each of these topics has a bearing on your ability to sustain and grow your market profitably. And, as already mentioned, it is by considering these areas in combination, rather than in isolation, that you can make the greatest impact on your marketplace.

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