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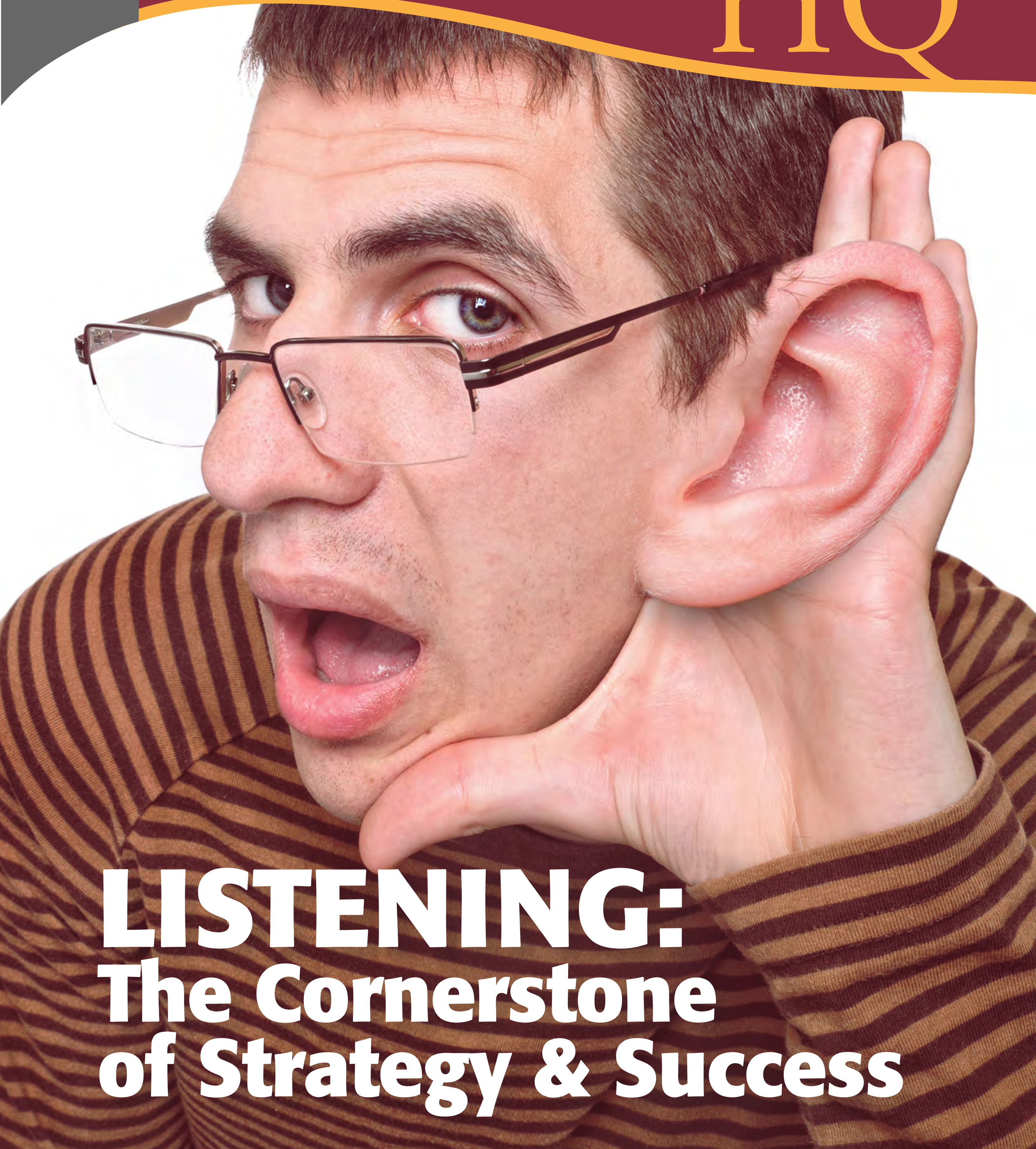
STRATEGY HQ



LISTENING:
The Cornerstone of Strategy & Success

The Marketing Strategy of the Future: LISTEN, ACTION, LISTEN

by David Cooper

LET'S FACE IT. ACTIVE LISTENING SKILLS ARE IN SHORT SUPPLY THESE DAYS. IN OUR CULTURE OF 24-7 MARKETING BLITZKRIEG, PRODUCT COMPANIES "PUSH CONTENT" FOR THE SAKE OF PUSHING CONTENT, WHETHER IT BENEFITS THE CONSUMER OR EVEN CREATES SALES. CAUGHT UP IN THIS RELENTLESS CYCLE, WE FAIL TO NOTICE THAT WE'VE LOST TOUCH—WITH OUR CUSTOMERS, WITH OUR COMPETITORS, AND WITH TRENDS THAT SHAPE THE MARKET.

Why do we do so much talking and so little listening? We do it because everyone else does. We do it because we live in fear of dropping off our customers' radar. And we do it because . . . well, aren't we supposed to be engaging the customer? And more engagement is better, right?

There are two very good reasons to question these assumptions, rethink your approach, and ask yourself how you can listen more and talk less. First, our culture is suffering from marketing fatigue and information overload. We simply can't absorb it all. Here's one thing you'll never hear a social media user say:
"I wish my news feed had more ads—you know, the blatant stuff, but also the ones thinly-disguised as content to make me buy stuff I don't even want."

Second, have you ever noticed what happens when you monopolize a conversation, counting the seconds until the other person finishes their sentence so you can talk about yourself—or your product or service? We're all guilty of this from time to time, especially if we haven't worked on developing authentic listening skills. Have you noticed that you don't learn anything useful? Yes, we practice active listening to show respect and build trust. But we also listen to learn.

More accurate data leads to more targeted personas and products better-aligned with consumer needs.

If you want to learn, listen more. To your customers, to your competitors, to trends. Next, implement an action plan of short and long-term changes based on what you've learned, and finally, listen again—this time to your results.

Listen to Your Customers

The benefits of active listening to your customers are obvious. More accurate data leads to more targeted personas and products better-aligned with consumer needs. So how can you improve the way you listen to your current and potential customers? In today's digital world, it's easier than ever before:

- Online surveys
- Online review tools
- Focus groups
- Social media alerts
- Google alerts

I'll add one more to this list. Some of my best consultant "Aha!" moments have happened while directly observing shoppers interact with my clients' products at retail distribution points such as Walmart or Macy's. I didn't try to sell these consumers anything. I didn't hand them brochures or coupons. I simply observed and asked questions, then thanked them for their time.

Listen to Your Competitors

Every business knows they should pay attention to competitors' products, pricing, and branding. This allows you to tweak your own strategy and look for ways to grab market share. Sometimes, however, keeping an ear to the ground might mean something more, perhaps even fundamental changes to your business model.

Walmart's (lofty) goal of competing with Amazon required major changes to selection, pricing, and distribution. It even meant the acquisition of e-commerce company Jet.com in 2016. Most market insiders viewed the move as a ridiculous folly. But who's laughing now? Walmart's online sales increased significantly, along with their stock price. Listening to their competitor and taking bold action paid off.

A caveat: If your company struggles with reaching consensus and your culture stifles change, fixing these problems should be one of your highest priorities. Even the best listening—and the best competitor data—means nothing if you're unable to act during the critical window of opportunity.

Listen to Trends

Back in the late 1990s, Coca-Cola's sales were down in convenience stores around the country. Rather than recognizing the root cause—the fitness trend and desire for healthier beverages—Coke blamed new products, distribution gains, and competitive pricing. They found it hard to accept the basic fact that people were buying more bottled water because they wanted to live healthier lives. Even the success of Pepsi's Aquafina water product failed to convince them. Eventually, the evidence grew too strong to dispute, and in 1999 Coca-Cola gave in, introducing Dasani bottled water. Rather than listening to trends and driving the market, they were forced to play catch-up.

What trends are you listening to, in your industry and beyond? If reports are accurate, millennials may be less likely to buy homes than previous generations. Americans, in general, seem less willing or able to save for retirement. The growth of the gig economy continues and shows no signs of slowing. How will these trends, and others, affect your industry and your business?

Listen to Results

After taking action and obtaining primary and secondary data, it's time for the moment of truth: Did your KPIs improve? If not, review your methodology and assumptions. Did you measure the right variables? Have you allowed enough time for the actions to work? Is more of the same action needed to move the needle, or should you take an entirely different approach? Keep in mind that active listening is an ongoing process, and even if your actions were successful, there's always room for improvement.

Your customers, your competitors, cultural trends, and your results are trying to tell you something important, something that will impact your business today and tomorrow. Are you so busy talking that you've forgotten to listen, act, and listen again? ■

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TURMOIL IS OPPORTUNITY IN DISGUISE: ADJUST YOUR STRATEGY —NOW

by David Cooper

There's little doubt that the global business environment has slowed. In many industries, skyrocketing production and transportation costs have led to unprecedented turmoil. Faced with thinning margins, eroding sales and declining market shares, most executives follow conventional wisdom and aim for business survival, not expansion. Unfortunately, this "practical" approach is the most common, yet flawed, business strategy. Conventional wisdom isn't always wise, and in this case, results in squandered opportunities for long-term growth.

Contrarian Views = Contrarian Results

In challenging economic times, most of your competitors will temper their optimism and play it safe. But just as investing during a down cycle is a profitable long-term plan, employing an aggressive strategy during slow market conditions will also bear fruit. Prudent executives will resist the impulse to retreat, and instead identify and execute strategies that strengthen their industry position and improve market share.

Meanwhile, your competitors are stuck in a holding pattern, waiting for the storm to pass and a return to "business as usual." Regrettably, they'll find the industry isn't the same as they remember.

Storms Bring Rain. Rain Brings Growth.

In business, post-storm conditions rarely return to their pre-storm circumstances. The damaged landscape requires an offensive rebuilding, with stronger materials and improved processes. The structure must be strengthened to withstand the next storm.

In other words, your business must employ a radical and measurable strategy adjustment to create a defensible storm position (i.e. competitive advantage). Don't let the pending weather conditions deter you from aggressively seeking a leadership position in the marketplace. Playing the "wait and see" game could be fatal.

Organic and Inorganic Growth Strategies: Growth by Any Other Name

The good news is that your competitors are probably employing obsolete strategies from 1998, and most are not prepared for the industry changes. During tough markets, look beyond the obvious to envision and prepare for the market that will be, not the market that was. This requires an offensive approach that delights current customers, aggressively pursues prospective

customers and consumes less efficient competitors. This is the time to invest in organic and inorganic growth strategies.

Organic growth is simply expansion through increased output or sales. With this approach, employ innovation through product extensions or expansion, adjust marketing tactics in pricing and distribution, and improve your productivity with more efficient systems and processes.

Another approach to growth is through inorganic expansion strategies. Merging with or acquiring an opponent (or partner) gives you a strong competitive foothold and entry into a new industry, market, channel or geography—with the caché of the acquired company. Take measures to avoid "acquisition indigestion": the inability to efficiently absorb the acquisition or merger.

When pursuing an organic or inorganic growth strategy, take advantage of your competitors' discomfort and disarray during less-than-ideal conditions. Also, remember that these strategies are not mutually exclusive. They can be executed simultaneously.

Above all, recognize that turmoil is simply opportunity in disguise, and sidestep the traps of anxiety and excessive caution. Aggressively analyze your resources, customers, competitors, suppliers, and manufacturers to identify scope for growth. Change your organizational strategies, processes, and roles—now. ■

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What Do Your Customers REALLY Want? Listen and Learn.

by Rohan Rodney

When small, agile startups compete with more established organizations, their innovation gives them key advantages. Can disrupted companies acquire their way to innovation?

Mergers and acquisitions to gain competitive advantage are nothing new. Among larger, more-established companies—particularly the Fortune 500—these have rarely resulted in dramatic shifts in business models. Times are changing, though, and many of the well-established stalwarts may be forced to change along with them. Massive shifts in consumer behavior are shaking up the status quo in diverse industries—hospitality, media, communications, retail, ground transportation, banking and more. Tech disruption has given the end-user accessibility unimaginable even a decade ago. How have larger companies responded to the challenge from smaller, more nimble competitors, and can they acquire their way to innovation?

Technology Levels the Playing Field

When a company enters a new industry, scaling up and competing with larger, more established organizations takes time. Gaining traction can be difficult. In the past, this allowed powerful lobbyists the time they needed to hinder radical shifts in the marketplace, and instead, preserve the status quo. The advent of technology and high-speed internet, however, now offers small business owners the ability to quickly reach and build targeted communities, which they nurture over time. Eventually, these communities reach a tipping point and become not merely customers, but fans.

Meanwhile, stagnant brands miss the warning signs of impending danger. Rather than listening to the marketplace, they occupy themselves with maintaining the status quo and "business as usual." Inevitably, they lose to more innovative, customer-centric startups who pounce on the opportunity to meet unmet customer needs.

David Versus Goliath

Smaller, leaner startups understand that head-to-head combat with much larger competitors is a poor choice. Instead, they take a different approach. Capitalizing on their strengths, they attack with precision, filling the voids of customer contact and relationship that large enterprises often ignore. They ease customer pain points that larger companies overlook, or have inadvertently even caused.

Listening with Hungry Ears

These smaller organizations are often labeled "disruptors" because they go against the grain, but perhaps the label of "intensive listener" is more appropriate. One reason for their success in the past few decades is their keen ability to surpass—not simply meet—customer expectations. Rather than following simplified iterations of business models, they obliterate the status quo by introducing services that customers never expected, but will quickly become fiercely loyal to.

Social Media and the Experience Economy

These disruptive listeners create armies of advocates on social media, where viral messages spread quickly through highly-targeted audiences. These advocates are so eager to share experience that they may even prove invulnerable to an undercutting pricing strategy. The "experience economy" offers fresh, new content to push to their networks, content that is shared far and wide. No traditional media marketing can compete with the speed and reach of social media maneuvering.

This intensive maneuvering relies on intensive listening. Social media is a much more valuable and useful market research tool than many older, established businesses realize, allowing disruptors to truly understand the needs of their customers. Becoming customer-centric is essential for any successful disruptor.

Slow Processes Block Innovation

Most conglomerates are unable to keep up with the pace of innovation and satisfy evolving customer tastes. Contrary to popular belief, a lack of innovative firepower isn't usually to blame. More often than not, internal company structure is responsible. Thanks to departmental silos, reaching consensus on new functionality can take several months. In the process of satisfying all internal stakeholders, speed-to-market and cutting-edge innovation are sacrificed. Even when the ideal product is launched—one that meets all the user's needs—can the functionality be replicated and improved frequently enough to remain relevant? Often, the answer is no.

Can Innovation Be Acquired?

So when these disrupted businesses lag behind in innovation, is scaling up the obvious solution? This seems to be the soup de jour. "Innovate or die" was once a popular catchphrase, but now innovation is taking a back seat to acquisition.

Some companies attempt to meet the challenge by creating off-campus innovation centers, removed from (and immune to) the constraints of corporate politics and red tape. These attempts, however, rarely succeed. The underlying problem is simply too pervasive, too entrenched, and too resistant to change. The reality is that mergers and acquisitions face an uphill battle against a relentless opponent: innovation in the marketplace. Meaningful innovation and creative thinking are rarely possible without a thorough commitment from the entire organization. Because tech innovators have strong advantages in culture and talent, larger companies have tried to solve the problem by simply acquiring these groups and their intellectual property. Unfortunately, bringing a small group of innovators into a change-resistant culture is only a slower march to the inevitable. ■

Becoming customer-centric is essential for any successful disruptor.

5 TIPS for a Memorable Logo That Stands the Test of Time

There's much more to your company's branding than logo and color palette, but make no mistake. Your logo plays a crucial role in how your products and services are perceived.

by Cynthia J. Mitchell

If you're hiring a designer to create a new logo, keep these five tips in mind. Following them will ensure that your design makes a strong first impression and conveys the ideal message for your brand.

1. Define and Research

Who are you? What does your brand represent? What are your values?

To be effective, your logo must communicate all these attributes instantly, both consciously and subconsciously, and this is no easy task. Sure, you could choose a random geometric shape and superimpose your company name, but this approach conveys nothing unique, memorable, or relevant to your identity.

Who is your target audience, and what are their values and habits? What about your competitors? What's working, and what's not, with their brand image?

Once you know who you are, who your customers are, and who your competitors are, you can use this information to develop a logo that expresses your company's uniqueness. You're probably aware that you need to stand out from the crowd. Keep in mind, though, that standing out from the crowd must be based on purposeful strategy.

A pink and yellow logo certainly attracts attention, but probably isn't the best color choice for a funeral home. Strategy is the key to a logo that not only looks attractive but also brings a long-term return on investment.

2. Simplify, Simplify, Simplify

Because today's logos are used for items as large as billboards or banners, and as small as mobile app icons or ball point pens, they must be easily-recognizable at any size. For this reason, you should avoid using small elements, such as thin lines or shading, that won't reproduce well at all sizes.

Look no further than Starbucks or Pepsi for examples of companies that have simplified their logos over the years. You can even use a type-only logo, with no visual symbol. Effective examples of these font-based logos include Gap, Calvin Klein, and Facebook.

3. Limit Colors

Unless you have a good reason to include several colors in your logo, it's usually best to stick to one or two. Not only will this save you money, but it will also establish the colors as your brand colors. Big brands like Coca-Cola understand the power of "owning" a color. What beverage company comes to mind when you think of the color red? What package delivery service is known as "Big Brown"? Even black can be an

The logo evolution of two brands

appropriate color choice for your logo. Before you decide on the color, however, make sure your logo looks great in a single, solid color. This means you won't have to make adjustments later if you decide to engrave it on a glass or metal award, emboss it on chocolates, or stamp it on a leather key fob. NBC, Amazon and Bank of America are great examples of distinctive logos that are usually seen in multiple colors but also work will in a single color.

4. Aim for Timeless

A logo should be both current and timeless. You can accomplish this by avoiding trendy fonts, colors, and symbols that will date your design. While it's true that brands sometimes refresh their logos over time, a redesign can be costly and time-consuming. By approaching the process carefully and methodically, you minimize the need for future changes.

Above all, focus on your core principles and the values that resonate with your target audience.

5. Hire a Professional

Although it's become a popular and budget-friendly option, resist the temptation to design your own logo online. Creating a professional-quality logo that not only looks great, but also differentiates your brand, requires far more than the ability to use online graphics tools. An experienced professional understands the psychology of shape and line and the emotional response they evoke in consumers.

Make sure you obtain the final logo files from the designer. These will probably be in vector file format, which is difficult and costly to recreate after the fact, and might require major modifications to the original design. You should also request several versions of your logo. One might fit well inside a square or circle (for social media), while more linear versions would be ideal for signage and other applications. Obtaining multiple versions as well as formats, such as jpeg and png will allow you the flexibility to use your logo for different media and purposes, both print and online.

With design software so accessible, you'll have no problem finding a designer to create your logo, for as little as $5.00 or as much as $15,000.00. Don't rush the hiring decision. Instead, ask questions, review their portfolio, and assess their skills. Your logo is the foundation of your brand's visual identity, and it's worth taking the time to get it right. A thoughtfully-created, skillfully-executed design will communicate your identity and instill trust in your brand for years to come.