

True growth and how to get it

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Growth is a business imperative - and a strategic blindspot. And yet, despite being the primary goal of almost all enterprises, growth remains frustratingly difficult to pin down.

Many who pursue growth or proclaim its importance fail to differentiate between genuine incremental growth and? an expanding product portfolio; between the size of their customer base and its value to their business; between new activity and new growth opportunities.

The growth challenge for researchers

To grow successfully, any business requires a precise understanding of its competitive context that can be distilled into meaningful growth objectives and a clear, actionable plan for achieving them. In order to deliver such insights, researchers must not hold back from interrogating their client briefs intelligently, ensuring that the research process is driven by a structured understanding of what true growth means, and where opportunities for genuine success are likely to reside.

The four paths to growth

There have always been two ways to grow a business: either you can persuade your existing customers to spend more money on your products, or you can find new customers. Looking in more detail at the ways in which this can actually be achieved, there are four possible routes to growth. A business can increase its share of its current market using its existing portfolio of products, either by attracting new customers or growing the spend of existing ones, it can launch new products and services that appeal to new and existing customers, or it can expand into wholly new territories or categories.

The incremental view

In assessing the potential of these different paths to growth, we must be aware of the tensions that can exist between them. By considering all of the areas by which growth can be achieved, we can ensure that our analysis of opportunities identifies genuinely incremental strategies, and that the value delivered by efforts to grow a business in one respect is not outweighed by the erosion of potential in another.

Growth through market dynamics

Research cannot guide growth strategies effectively if it offers only an aggregate view of opportunities. We must explore the inherent dynamism of markets, where customers are not simply acquired or lost, but instead shift their spend continually over a fluid range of brands and potential products, based on factors such as awareness, equity, availability, distribution and pricing. The key to unlocking growth in existing markets and for existing products often lies in adjusting these market levers.

Often the greatest potential for growth lies amongst existing customers and the opportunities to increase their spend on existing products and services. However, the value of these opportunities is often obscured by an aggregate view of the customer base itself. The key to successful growth here lies in focusing attention and resources on those customers, and identifying the specific measures that can increase their value.

New platforms and new markets

Digital and mobile platforms are significantly increasing the scope for business innovation, creating both new categories

and new dynamics within existing markets. The speed with which mobile technology in particular is advancing, increases the pressure on business to innovate, to learn by doing, to experiment. Leveraging new data sources effectively and in real time is also increasingly important for businesses seeking to respond to growth opportunities, while the lowering of barriers which digital technology promises offers new channels for growing awareness, and new categories of products and service.

However, being fast and being first can still be counter-productive if the strategies adopted are not rooted in a clear understanding of business issues. Research must keep up with fast-moving markets, but it cannot sacrifice precision in order to do so. It must also identify true growth opportunities as opposed to simple empty space, and assist in developing an understanding of local cultural context when moving into uncharted territory.

Growing - or getting bigger?

True growth is not achieved simply by getting bigger; it comes about through changing human behaviour in a way that can create incremental value for a business. Aggregate numbers and broad-brushed data do not provide the contrast and definition required to make such genuine opportunities attainable. Because of this, the most effective growth strategies are precision growth strategies; they are guided by research that offers clear and accurate insight on which individuals behave in different ways, and what might persuade them to behave differently. Such research must not be afraid to question briefs and encourage clients to confront the context of their business and what growth means for them; and it must not be afraid to discriminate between growth that offers true incremental value, and growth that does not.

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TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and stakeholder management, based on long-established expertise and market-leading solutions. With a presence in over 80 countries, TNS has more conversations with the world's consumers than anyone else and understands individual human behaviours and attitudes across every cultural, economic and political region of the world. TNS is part of Kantar, one of the world's largest insight, information and consultancy groups. Please visit www.tnsglobal.com for more information.

About Kantar

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