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Emerging markets everywhere – the strategist’s dream come true

Tony Manning

In my recent travels to the US, UK, and Turkey, it has been clear to me that each of these very different countries has one thing in common: they are all emerging markets. Companies that see this first, and respond fastest, will win the race for customers and profits. Those that lag will pay dearly.

For decades, we’ve classified countries as “developing” or “developed”. South African marketers take comfort in labeling people as “LSM 1–3” or “8-10”, have long talked about the “emerging black market”, and now revel in sales to the exploding “middle class.”

These are all neat ways of describing the world. They have some merit. But they also blind us to the new reality that Thomas L. Friedman describes in his fascinating – and alarming – book, *The World is Flat*.

In summary, Friedman’s message is that the world’s six billion-odd people are now all on a level playing field, thanks largely to technology. We can all experience similar things and enjoy the same stuff. The internet is a global shopping mall. And companies everywhere are in the same competitive game together.

Customers from Potchefstroom to Prague eat sushi, listen to music on iPods, and wear Timberland shoes. They are becoming smarter and more discerning – and more critical of shoddy products and services and shady companies. They seek out offerings that reflect their values and express their individuality, but flit away fast when you don’t meet their expectations.

Visit Prada’s new shop in Soho, one of New York City’s trendiest neighbourhoods, and the experience will blow your mind and your budget. Then wander up the road to the Apple store, or pop into Old Navy or Pottery Barn. Hey, aren’t those the same customers? Indeed they are. But this time they’re chilling out ... bargain hunting ... or whatever.

Then, cross to Istanbul. Sit with me at a sidewalk restaurant outside the stunning five-floor Beymen fashion store. Watch the girls go by in their cheap Top Shop T-shirts or expensive Versace jeans and Stuart Weitzman shoes, handbags from Louis Vuitton or Gucci, and Rolex watches. Or stroll up the road to Max Mara or Marina Rinaldi; walk around the block to Marks & Spencer; or take a break at McDonald’s or Starbucks.

Still not convinced? Well, let’s head on over to London’s Oxford Street or Sloan Street – or out to Putney High Street. What’s different here? Not much. Same customers flaunting the same brands (many of them knock-offs). Same shops providing the same experiences.

Ted Levitt, a professor of marketing at Harvard Business School, anticipated this more than 20 years ago in an article called “The globalization of markets.” Strip away what

makes your product or service appeal to specific customers, he said, and you can sell it to everyone everywhere.

His insight has become more relevant with time. Markets across the globe are becoming more alike. But beware of generic, one-size-fits-all strategies. They may not travel. For while there is rapid convergence on many fronts, every market is also characterized by sharp and important differences. And to ignore them is to court trouble.

In practice, every customer doesn't have the same access to everything. Every customer can't afford the same things. Nor do we all have the same tastes, habits, aspirations or inclinations.

Not long after Levitt's article appeared, other gurus warned companies to "think global, but act local" – what Sony called "glocalization." Today, as competitors fall over each other in the war for customers, that's more important than ever. You have to add real value for specific individuals. You have to stand out in a highly personalized way. You have to make a difference that matters, one customer at a time. And you have to keep lifting your game, because the game keeps changing.

The message to managers is a sobering one. If you think you know your customers, think again. If you think you've cracked the code for getting their attention, communicating with them, or separating them from their money, think again. If you think your market is "first world," while another is part of the backward "third world," think again.

Today, every market is an emerging market. And every customer is a brand new marketing opportunity. So you have to zero-base what you think you know about them, zero-base what you do for them, and zero-base how you do it. It's back to basics for everyone, everywhere.

Tony Manning is a strategy consultant and author of nine books on management. The latest is *Tony Manning's Management Toolkit*. He can be contacted at www.tonymanning.com.

Tony Manning/*Strategist*

CONSULTANT IN COMPETITIVE STRATEGY AND CHANGE MANAGEMENT

PO Box 750 Morningside 2057 South Africa

Phone 27 11 884 2635

Fax 27 11 884 6006

Cell phone 27 82 800 5862

E-mail strategist@tonymanning.com

Website www.tonymanning.com

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