



Marketing Messages

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Staying on top of business trends helps the bottom line

As a Canadian you can be excused for thinking environmental scanning might have something to do with tracking record breaking temperatures or the accumulated rainfall in Vancouver. As a businessperson you have a responsibility to make yourself aware of trends and changes which effect your industry and your companies survival. That in a snapshot is what environmental scanning is all about.

Long range solid strategic planning requires regular and rigorous analysis of influences on your business. To prosper in the midst of change you must stay acutely aware of what could effect your industry and your company.

Scanning can take place at several levels; macroscanning is done for the interests of the entire company. Micro scanning is done at the product or market level. Scanning must be sensitive to technological, political, economic, social and regulatory changes. By forecasting potential changes you can analyze strategic shifts in the environment and look at alternatives in order to make critical choices, which will effect the long-term success of your product or business.

What are the benefits of scanning?

1. It can help you to capitalize on opportunities rather than lose these to competitors. **Chrysler** was the first car manufacturer to officially introduce the minivan. Having recognized that growing families were putting increasing demands on the family sedan, the minivan was aimed at the baby boomer market trying to escape the station wagon image they had grown up with. Chrysler launched the mini van in 1983 and the rest is history. As first movers they sold 209,895 models in North America in 1984 and did not experience heavy competition until several years later as GM and Ford played catch up.

Locally based **Ballard Power Systems** hopes to capitalize on the commercialization of fuel cell products. Alternative energy fuel cells are a powerful idea, which could revolutionize the world's automotive industry as a pollution-reducing alternative to the internal combustion engine. Although the field worldwide is competitive, the opportunity is phenomenal.

2. It provides an early signal of impending problems, which can be diffused if recognized in advance. A recent **Ipsos-Reid** study revealed that 71% of Canadians have internet access. Next to using it for email (91%), the most common use was researching a trip (59%). While a smaller segment is actually purchasing travel on line, market forces will ensure this trend continues to grow. Air Canada now only accepts bookings made on-line or through a travel agent. Since the airline no longer pays commissions to travel agents on bookings, the agents collect a fee for the service from the consumer. Using an agent to book **Air Canada** flights now increases the costs of travel, while tickets booked on line receive an additional small discount. The trend is towards a direct company to consumer delivery system. This signals a dramatic change in the business model for travel agents. **Uniglobe** notes that there has been a shift towards leisure travel, and away from corporate travel because of the no commission system. Travel agents are being forced to restructure their business model and move towards niche markets such as adventure travel and cruising.

3. It sensitizes your business to the changing needs and wishes of your customers. This point is critical in an ever-increasing competitive environment. Although stores such as **Capers** have made organic and natural products the focus of their business, traditional grocery stores are now responding to consumer demand. Local grocery store **Super Value** has built organic food and produce sections in their stores. Home delivery companies were increasingly capturing this market niche. The organic market is growing at an estimated 15% a year. Consumers demanded an organic alternative. The stores delivered.

4. It signals to the public that your business is sensitive to its environment and community.

Shared Vision is a local monthly magazine that focuses on healthy living through social, physical, intellectual and spiritual growth. The strong social values of its readership and the recognition that authenticity means your actions should be consistent with what you believe in, caused the magazine to recently change to being printed on 100% recycled, 100% chlorine-free paper. Scanning sensitized them to their environment (the publishing industry) and the community (their readership).

Environmental scanning will cause you to think and act strategically and that's how businesses succeed. Now that you understand why environmental scanning is critical, watch for my next column on how to implement it in your business.

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