

Survival Of The Fittest

By Jerry W. Thomas

Everywhere business leaders turn, they find nice-sounding, easy-to-swallow, seemingly plausible solutions to their problems. The academics, the management consulting firms, and the business-book writers churn out one managerial theory after another, each promising to revolutionize the business world and offer unlimited success to those companies that will buy into the managerial theory—and pay the management consulting fees, or buy the managerial books.

“Re-engineering,” “Customer Loyalty,” “Benchmarking,” “Change Management,” “Customer Relationship Management,” and “One-to-One Marketing,” are several examples of the theories that sweep through corporate America. Corporate leaders talk to their peers, copy their competitors, and copy each other, and the theory becomes a managerial fad. Do any of these “canned” theoretical solutions really work? In some instances, managerial theory or fad might work; but for most businesses, the pursuit of theories and fads is a prescription for disaster and decay. If we can’t trust the academics, the consultants, and the soothsayers, who can we trust? Who, or what, can we believe in? Is there no hope in a world of economic turmoil, chaos and confusion?

The central question is: Why do some companies thrive, while others perish? Why do some companies make extravagant profits, while others scrape by on bare subsistence? What is the secret to success? What is the secret to survival?

Charles Darwin pondered these very questions during the 19th Century as related to the survival and extinction of biological species. Did he discover anything that might be relevant to business and marketing in the 21st Century? We can think of nature and ecological systems as a vast “free market” of perfect competition, where all living organisms are competing with each other for limited resources (sunlight, water, minerals, etc.). Businesses and brands also compete with each other in a struggle for survival, and collectively tend to operate in ways analogous to natural eco-systems. Is the survival of a business akin in any way to the survival of an animal, a plant or a bacterium? Is it possible that success and survival in the wild might be analogous to success and survival in the business world?

What in the devil did Darwin mean when he popularized the “survival of the fittest” phrase? What he did not say is, perhaps, revealing. He did not say “survival of the toughest.” He did not say “survival of the fastest.” He did not say “survival of the biggest,” nor “survival of the smartest.” No, he said “survival of the fittest.” What a strange word, “fittest.” One might tend to interpret Darwin’s “fittest” (without thinking about it much) as somehow related to physical fitness, or physical

Product improvements and new products are pathways to the future, the lifeblood of strategic survival.

superiority, in other words, to “strength.” But, Darwin did not say “survival of the strongest.” He said “survival of the fittest.”

Before attempting to interpret Darwin, a little story will help set the stage. While driving through West Texas a few years ago, I was amazed at the tough, scrubby bushes and cacti growing in the desert. It was remarkable that these plants survived and flourished, with only about 8 to 12 inches of rainfall a year. All the plants, it seemed, were covered with stickers and thorns to protect them from the hungry jaws of deer, javelina, and coyotes. “These plants are invincible. They are destined to rule the earth,” I thought to myself. These plants can exist with virtually no water and can fend off the wild beasts of the desert. But, as I pondered the invincibility of these thorn-laden flora, doubts began to surface. Had not these desert plants been given the opportunity, over millions of years, to conquer the world? Why had they failed to spread and conquer the earth?

By “survival of the fittest” Darwin did not mean that the toughest will survive, the swiftest will win, the smartest will succeed, or the biggest will dominate. What Darwin meant was something far different. Darwin said that the organism that best “fits” its environment had the best chance of survival; hence, the term “survival of the fittest.” The plant or animal best “fitted” to its natural environment, according to Darwin, would be the most likely to survive and thrive. The tough West Texas shrubs and bushes thrived because they were best “fitted” (i.e., best adapted) to the harsh, dry climate of West Texas. These same plants transplanted to East Texas (a forested, high-rainfall area) would quickly succumb to competition from the rapidly growing pines and oaks of East Texas. The slow-growing, dwarf desert species of West Texas would not have a chance.

So what does all of this mean for the strategy of a business or a brand? It means that the company and/or brand best “fitted,” or best “adapted,” to its environment (its markets, its customers) is most likely to survive, and most likely to flourish. It means that

companies or brands not well “fitted” to their markets will not survive long-term.

So, how does a company or brand ensure its “fit” to its markets and its customers? The answer is twofold. First, the senior management of the company must be open-minded, willing to listen, and able to accept the truth. Everyone in the organization must feel free to tell the truth to senior management, without fear or apprehension. If an environment of “free speech” and “acceptance of truth” is not present among senior executives, a company will never be “fitted” to its markets and customers, and will not long survive—no matter what else the company does right. Let’s assume that your company has made it over this first hurdle and that senior management wants to know the bitter truth.

Second, the company must have a competent, experienced marketing research department with one or two old, grizzled researchers with 25 or 30 years of “in the trenches” experience to manage the department and train the younger staffers. These senior researchers must feel comfortable telling senior management the truth, no matter how ugly or unpleasant that truth is. Ideally, the research department should report to the vice president of marketing (since so much of its work will be focused on marketing issues), but with easy access to the CEO/President whenever needed. The results of data analyses and research studies must present reality as it really is, without any distortion, cleansing, or shading to please the pride and prejudice of senior executives. A highly competent marketing research department and open-minded senior management are the two most important factors in ensuring that a company/brand is best “fitted” to its markets and customers.

How the research department is organized is mission critical. One person, or one group, must be responsible for all research and analysis related to one product category and/or one brand. This one research person, or one group, must be involved in the design of all studies and the analysis of all data related to its brand, including customer comments and sales data from other departments. In this

structure, the researcher is the “integrator” and “assimilator” of all information about one brand, all over the world. This researcher does the product testing, the advertising testing, the tracking, the package testing, reviews Nielsen data, and reviews customer comments from elsewhere in the company. What the researcher learns from one source can be cross-checked against other sources. What the researcher learns from advertising testing might help in the interpretation of the advertising tracking data and in the design of the next product test or package test. The researcher quickly becomes an expert on that brand and can provide in-depth analyses and marketing recommendations that help a brand “fit” and adapt to its markets in an optimal way.

The research department should not be organized by type of research, with one person responsible for advertising research, one person responsible for product testing, one person responsible for tracking, etc. In this organizational scheme, the researchers are like the blind men who feel a different part of the elephant. No one sees the big picture. There is no cumulative learning across projects. It is far better that the researcher becomes an expert on the brand and its markets/customers, than becoming an expert on a research technique such as advertising testing or product testing.

Ideally, the researcher should be physically located near the marketing/brand group she supports. She

must be, and be viewed as, an integral part of the marketing team for that brand and be involved in the day-to-day discussions about brand tactics and strategy. She must be the expert on the brand’s markets and its customers, and consistently represent that point-of-view within the brand marketing group.

Lastly, don’t call this department “Consumer Insights.” “Research” is a stronger word and commands greater authority. After all, marketing research is the application of scientific methods to the solution of marketing problems. Let’s call it what it is: the “Marketing Research” department, not some watered-down, weak-kneed, low-octane “Consumer Insights” group.

And, remember that your competitors are just as dumb as you are. They don’t have a highly competent marketing research department either, and they don’t pay any attention to what their researchers are telling them. No, ignore your competitors, and focus on building a world-class marketing research department that can keep you in tune with your markets and your customers. Set the example so that your other senior executives see you studying the scientific data coming from your super-charged marketing research department, and see you making wise decisions based on factual reality and in-depth knowledge of your markets and your customers. Then your company will thrive by becoming the “fittest” of the fit.

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Decision Analyst is a global marketing research and analytical consulting firm. The company specializes in advertising testing, strategy research, new products research, and advanced modeling for marketing-decision optimization.



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