

[F] The 8 Business Battles To Watch Out For & Tackle Head On

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The 8 Business Battles -- Click below to jump to specific battle

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Taming Temu 🇨🇳

Temu is the Chinese app that is top of the app stores and has super low prices for thousands of SKUs taking weeks to be delivered.

1. **App Store Dominance:** Dominating the app stores in Q4 and starting to dominate search engine results since April (2023) - this has sent shockwaves through competitors
2. **Never-ending Choice** - some say this is good and most experts will inform you that choice is a bad thing and humans hate it - in Temu’s case it driving sales and leveraging what other Chinese apps and games are built on, increasing time spent means more affinity with the app and their products
3. **App Power:** Forcing downloads of their app - Temu has worked out the best experience is on the app and the more information it can consume and tweak their targeting to you

4. **Non-Obvious Strategic Moves:** Going against the well-known rule - Low-quality product's long wait times are not putting off shoppers looking for a bargain and users are said to be [spending 22+ minutes per day](#) on their app
5. **The Power Of Paid Demand:** Temu have 265k paid keywords (in the UK alone - this is a tactic very few retailers use) and that is increasing - they are taking the paid acquisition page out of [TikTok's playbook](#) and overspending to drive the brand awareness and mass adoption.

The Next UI - Search Vs Chat Vs “New” 📱

1. **Interface Issues:** If you have used a good AI tool you will know the problem is the interface and understanding how to use prompts properly - prompts are hard to learn and iterate on until you get exactly what you want, this is the ongoing challenge for OpenAI and Anthropic Claude and Google's BARD and will continue this year. One of the stand-out opportunities for these companies is to change the interface we interact with and make it easier to be guided towards the right answer.
2. **The New & The Next UI:** The next UI (user interface) is going to evolve over the next 12 months, chat is a tricky UI (yes, we use it all the time but many of us dislike it and most chat interfaces are only as good as the response) as we have had years of a search engine of questions or queries and then a list of links (*and in recent times multiple rich media results*) and then we make our minds up. We have entered the “answer engine” stage with chatGPT and competitors of asking questions or entering prompts and we are supplied the answer and with a creative output, the better the prompt the better the end result.
 - a. Chat and chatbots have been so bad for so long many will just let it go until we have a different interface despite everyone using the same style of chat and answer
3. **The Biggest Google Issue For Years:** This is the battle to win the next big evolution is on and we are going to either default to what we know Google or make the shift to an app. Expect the standard user to slowly move away from the traditional Google question and links (importantly with ads) to a Q&A definitive A approach

4. **Voice & AI:** Voice search and voice navigation (*talk to the device or app and it will take you to where you want to go exactly and ask if you would want to download, 'want-to-buy' or 'want-to-start' a training session etc*) are going to continue to improve as it will be natural to have conversations with AI's and what many will find is that AI is less judging than a human colleague - this could see a shift towards voice and conversation with AI rather than just refining search queries
5. **Slow Adoption = Opportunity:** We are going to land in a place where I guesstimate 10% of users will adopt the new interface and others will flirt between the two - expect this to skew results, to influence costs (especially increasing budgets around paid media spends) and confuse many in-house teams.

Google vs ChatGPT (vs Microsoft) 🔍

1. **Site, App, SuperApp or OS** - this is going to be the four-tier battle that will come to the forefront. Many experts are predicting webpages are going to be less important and we need to shift towards a more fluid experience. Something to question: Will an app be enough (will customers want to download the app and use it exclusively?) to answer all of the questions and expectations we will adopt from using new interfaces? Even an app with the capabilities of running a local and personalised LLM be good enough versus what new technology will unlock? I predict OpenAI and its competitors will have to go for a super-app approach to control UX and influence the big change that is due. I suspect it is likely for OpenAI and competitors to create an OS (*away from an open Android OS*) that runs on a set of their own devices. This is already in the rumour mill and I suspect this be appeal to innovators and early adopters upon launch and many years after that for the early majority to even consider it.
2. **Google AI Friend Or Foe:** Google has to go all in on AI and already has across many of its products (across the Google Workspace into docs, sheets and Gmail etc) - Google will have to lock down Android and its core experience on search to keep its dominance. Will Google allow its company to lose any market share across its other business areas to cement its core

(search) or will it have to please advertisers in another way to drive search demand and keep driving up their auctions

3. **Super-App?** A question to consider: Is this the fight for the Western super-app (like WeChat in China) - the app that becomes where you start everything? We are likely to see strategic pushes by these new companies looking to own the majority of your actions and these AI assistants will likely be the natural step
4. **OpenAI Dramas:** Despite the CEO firing drama of Q4 at OpenAI, Sam Altman has hundreds of disciples who are fully brought into his approach to driving AI and winning the AI market. Keep an eye on the acceleration in and around OpenAI and their ability to keep users. The struggle with OpenAI is keeping DAU (daily active users) and ensuring they make their interfaces more user-friendly and keep being the integration partner of choice
5. **Enter Apple AI:** Do not discount Apple's ability to win in the AI arms race, they have invested huge amounts of money in acquisitions and investments into AI, they have the demand and desirable products and can integrate into their OS - Siri was a terrible product but can be easily replaced and updated in one OS update. This is also where Amazon has the ability to go further and offer more AI features away from AWS and shopping. Core businesses will be disrupted by huge innovation in AI

If you have struggled to get into AI and chatbot, the Microsoft copilot app ([iOS](#) // [Android](#)) is a great way to transition into using AI and answer engines. I also recommend using [perplexity](#), it is a modern answer engine that works similarly to Google without the clutter.

Death Of Cookies 🍪

1. **Cookie Crumbling:** Cookies are a vital cog in the internet machine, this year they are due to be sunsetted by the largest tech firms. Cookies help:
 - a. track the success of marketing and sales campaigns,
 - b. target your core customers (on and off site)
 - c. keep customers logged into your site and keep your site transactions and interactions secure.

- d. With these being removed and replaced we are going to see a huge shift in understanding how users flow in and around your products.
2. **Google's Big Bet:** Google has tried to step away from cookies for years and has struggled to create a replacement that is fit for its dominant advertising machine. If Google struggle to replace effectively it will send shockwaves through its auction ad product and all of the millions of merchants who use and rely on its services
3. **Truly Private Browsing?** Apple has already rolled out private browsing protection from cookies, we will see the battle between large tech firms and advertising companies on their approach and attempt to implement their version onto their customers.
4. **Mindful Transactions:** Cookies have been critical for years around tracking customer purchases and repeat purchases, many companies are having to think about removing their reliance on third-party cookies and data solutions while creating a zero and first-party solution. This will mean less companies should know about your transactions and create more secure personal data based on your email or unique identifier
5. **New Tech:** When there are big shifts there are brand new tech providers that are born and improve the experience of merchants and customers. Are you in a place where you can be a tech provider or join with new tech to get a leg up over competitors?

App Stores

1. **Unbundling:** App Stores are about to be unbundled and the belief is there will be an opportunity for other app stores, this is going to be increasingly hard to happen, *why?* The canonical stores (Apple Appstore and Google's Android store) will win, they have the trust, they are the default and new doesn't mean better. There is a - but, it will be interesting to see how the gaming industry changes its approach and how it can leverage its audience away from app stores taking a commission cut
2. **Spread Too Thin?** Companies and agencies will have to decide how thinly to spread their app, more distribution isn't always better and will misdirect many resources. Most app recommendations still come from word-of-mouth

recommendations - this is still going to be critical for winning app downloads

3. **Competition = Investment:** Apple and Google will have to invest in better app stores, better features, better discovery (organic and paid), better commission cuts and tailored recommendations where others will struggle to keep up or rethink what the app should be versus what it is
4. **Resource Battles:** Epic and other well-known companies have pushed for this change but will they have the resources to fight against these big incumbents and push other alternatives while still building great products - this is a second and third-order effect that seems to be lost in the years of fighting
5. **Optionality Can Be Worse:** Companies and their apps don't win by more options, many companies may struggle to understand this and despite the tax in both app stores, fragmentation will lead to pricing varying and different deals leading to harder-to-track successes and making it harder for financial tracking and forecasting

Return To Office - Return To Hybrid 🏢

1. **Poor Quality Mandates:** 2023 saw a huge shift in return to the office mandates, with many driving employees back in 4 days a week, some back to 5 and it is causing real issues for many employees. We will see the mandates changing and some businesses embracing hybrid to compete with their rivals and offering some teams mostly remote
2. **Reonboarding Wins:** Most companies never re-onboarded their employees into the office when it was RTO, this was a big mistake and many are paying the price for it. An important step will be for companies to come together for the best outcomes for performance and their culture is to re-onboard their teams and decide what their office is for and what good and bad behaviours are. Mandating returns and reprimanding employees for missing their third day in the office isn't going to improve work and performance it's going to disengage and become a sticking point throughout teams and their departments. Expect more demands and explanations from teams if you have not clearly defined what the office is for and why attendance is so important.

3. **“Productivity Paranoia”**: What employees want is a safe place to work and many offices have become surveillance-based environments where their bosses are policing them and this is not the environment for anyone to thrive. Expect real kickback on poor quality offices and bad people managers who demand in-office attendance when it is impacting delivery. Management teams and HR departments will continue to score low ENPS and trust levels if how we communicate and guide employees back to the office and around hybrid

Something to keep in mind, RTO will continue across more large companies and while hybrid is still in its infancy, if you would like an advantage on the competition: improve the office setting (think about how you would reshape the office) and not default to the old ways of working

4. **Remote To Hybrid**: The Remote Only Approach will be rethought by many companies that went fully remote and have not seen the bump in performance. We have heard several firms who went fully remote open offices again and this is a trend to expect to continue. Remote configuration is hard if you have not dotted the i's and crossed the t's on it.
5. **Bad Policies & Meeting Free**: Friend of Focus and Leaders Letter [Bruce Daisley](#) offered a free and very [insightful report for work in 2024](#) - meeting free days is something many companies are trialling and without full training of what is a meeting, what success looks like and the actions need to be taken many businesses are just pushing more back to backs and low-quality peer to peer time. Unfortunately company culture either rewards or controls poor work time. Expect AI to either help or hinder with this being AI assistant, taking fully automated notes but not being able to cut through the noise and the same loud colleagues being rewarded by AI analytics within meetings

If you are struggling with remote work and have not downloaded the [free Gitlab handbook](#), [Automattic's field guide](#) or [Basecamp's remote resources](#) are critical reading.

Boardroom Battles 🦊

1. **CMO Woes:** In Q4 alone we saw a large number of CMOs relieved of their duties, this is a trend that has picked up momentum and many CMO roles are being consumed or rolled into other leadership roles. Expect CMOs from across the spectrum to move around frequently.
2. **Fractional C-Suite Members:** There has been a movement towards fractional members of the leadership team, which often means an executive spread across a few clients and working on nominated days. This trend is typical across smaller companies, scaleups and startups, what this means is many companies are going to battle keeping leaders who will want to move towards a more flexible model or request to drop down to fewer days a week. I have personally seen and experienced Fractional leadership working, there have to be strict guide-rails and deep trust between discipline and between leaders otherwise it can become fractional vs full-time leadership.
3. **Musical Chairs:** We will likely see CEOs and founders moved around this year, many founders will be removed from their companies as they struggle with the evolving landscape and CEOs will start to move on from companies that are perceived as sinking ships, many will struggle to understand the vast shift in industries and not have the leadership skills to bring their company and their people along on their journey
4. **AI Demands Vs CPO:** We will see similarities in C-suite roles that are not seen to add to the performance and drive the business forward. In some companies, I can see CPOs being relieved of their duties as products will be all chasing after AI features and many will come up a dud and be copied
5. **Leaner C-Suite Vs Expanded C-Suite:** Speaking to several CEOs at the end of 2023, there was a feeling that with the changing landscape and large-scale layoffs, the C-suite is expected to become leaner and less bloat. CEOs have always known there are tiers (typically unspoken) across leadership teams (potentially could look like tier 1 CEO - COO - CFO, tier 2 with CTO - CIO - CPO and tier 3 CMO - CHRO) and will be looking to roll up responsibilities from lower tiers into higher tiers. For others, they will be looking to expand out their C-Suites and add more under the C-Suite title. The C-suite's performance and leadership will be

under the highest scrutiny and expect leadership teams to change regularly over the next 18 months.

Merger, Acquisitions & Closures 💰

1. **Nose Dive:** The price of some companies will dramatically drop this year and result in many potential acquisitions or in some cases when the valuation is too low they may need to. We saw a number of end-of-year acquisitions and many companies rescued by deals, we should expect the same throughout this year
2. **VC Winter:** Continued VC winter and dampening of investments will mean many companies will have to look for untraditional survival tactics and look for investments from many different sources - this will have a big ripple on startups and even large companies needing to work through mergers, acquisitions or attempts to drive closures of their competitors
3. **Big Deals:** There are many rumours of large companies looking to acquire or be acquired. Disney has been rumoured to be up for sale or looking to make large acquisitions. We will likely see underperforming companies looking to sell or acquire adjacent competitors to avoid regulators reviewing the acquisitions.
4. **Mergers:** Something that is not discussed as often as acquisitions is mergers, mergers will be a lifeline for many companies this year and will see a number of agencies and platforms look to merge and reduce headcount to save the business.
5. **Well-Placed PE:** PE is going hard into well-negotiated acquisitions and creating many lean companies. PE might be the only option for many companies and will be unaware of the new demands PE creates

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