

The Five Biggest Marketing Mistakes

Companies tend to repeatedly make five common mistakes when they launch and promote new and existing products, solutions or services. These mistakes often lead to failure, or if not failure then certainly prevent the company from maximizing the growth potential and success. The five most common mistakes are:

The First and Biggest Mistake: Not Having a Marketing Plan

The first mistake is, of course, to not have a marketing plan at all. **You simply cannot have a business plan without a marketing plan.** Think about it: how are you going to project your incomes, your growth, and the investments you need to make in generating products or services, leads, advertising, and so on? Marketing typically represents almost half of most company's expenses, if you count everything, including product development, sales, promotion, and advertising. No smart banker or investor will provide you capital to fund your business without a well-written marketing plan!

Too many companies do marketing haphazardly and piecemeal. They buy some yellow page or magazine ads, exhibit at a few trade shows, hire a few sales people and tell them to go make calls from the phone directory. Without an overall marketing plan, these investments are often wasted.

A marketing plan has to have a vision statement and objectives. We don't mean the bland, long-winded meaningless sentences you often see in big company annual reports. A good way to evaluate your marketing plan is to image yourself given just 60 seconds to sell your offering to a top decision maker while riding in an elevator up a few floors. You need to be able to concisely express what your offering is, what problem it solves that keeps him or her up at night, and why your company is the best partner to help you solve the problem. That's called the "**elevator message**".

What do you need in a marketing plan? At the highest level, there are two requirements for you to be successful. One is to have a **competitive whole solution** to a problem. Note that we did not say a product or service. A whole solution may include a product, but you cannot forget the services that surround the product, the buying experience, delivery, support, and warranty.

You need to clearly understand the **value proposition** that you offer, and how it sets you apart from the competition. To understand your target markets and develop a plan, ask questions like:





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- What is your target market?
- How big is it?
- What problems do your targeted prospects have?
- What are the business conditions?
- Are there any compelling needs for your products or services, like new legislation, competitive pressures, or changed business conditions?
- What is your market share, and the competition's?
- Is the market growing, or declining, and at what rate?
- Who are the decision makers, and what keeps them up at night?
- How can you make your offering clearly unique or superior to any competitor?

Your value proposition should be so strong that no prospect would ever buy from anyone else! This does not mean that you always have to be cheaper, have a better product, or a better service. Take IBM for example: IBM almost never had the best, fastest, cheapest computers. But IBM was able to position the company as the “safe choice”. Remember the saying “nobody ever got fired for buying IBM”? In the minds of their customers, IBM may not offer the best technology, or the best price, but many companies consider IBM the overall best solution to a business problem.

To understand how your business stacks up, it's a good idea to start with a **current situation assessment**. What are your products? Who are your clients? What is your competition, and how to you compare? Take a big flipchart and make 4 boxes. Then fill in your **strengths, weaknesses, opportunities and threats**.

Once you have a **clearly differentiated value proposition**, you need to tell people about it! And again, you need a plan, an **integrated communications, lead generation and promotion plan**. We cannot say if often enough, piecemeal efforts often waste money, and don't give you the results that you are looking for. Now that you have a winning value position and differentiate your business from competitors, you need to clearly and repeatedly communicate it to prospects.

The Second Most Common Mistake: Forget to Execute that Plan

OK, you have developed a good marketing plan. You secured the investment capital, and you are up to your eyeballs running the day-to-day operations. What happens often is that the marketing plan sits on a shelf. You react to changes in business conditions, but never update and execute the plan. Does this sound familiar? If this is one of your problems, you're not alone: we have seen many Fortune 500 companies that engage in annual marketing plans, present them to their executives, they promptly forget the plan and go on with “business as usual”.



Three components of any good Marketing Plan are: Focus, the need to clearly target a market segment and provide a differentiated value proposition. Innovation is naturally associated with marketing, things like writing commercials, brochures, creating web pages and marketing materials that stand out. But the often forgotten third aspect is Implementation. It represents the execution of the plan, with discipline, commitment, and persistence.

You are not truly executing unless you measure the results. Do you know the value of your prospect pipeline? Do you measure the response to ads, direct mail, telemarketing campaigns, and other promotions you are using? How productive is your sales force? Invariably, you will find that some of your actions work well, and others do not give you the expected return on investment. But only if you **track and measure results** will you really know the effectiveness of each campaign. This again takes effort and discipline, but there are many good PC and web-based products available that make the job easier.

We recommend using a **Marketing Audit** to track your progress. Consider this: most companies hire outside auditors to check their financials annually, to make sure that funds do not leak out because of fraud and financial mismanagement. They may audit a 50-dollar expense report in excruciating detail! But on the other hand, almost no one audits the marketing plan, where much larger sums can be wasted. We think that a Professional Certified Marketer should audit marketing plans, just as a CPA annually audits the balance sheet.

The Third Mistake: Forgetting your Customers!

You may be thinking now, no, that's not one of our problems. We talk to customers every day, and we understand that the customer is king. But when is the last time you really measured your customer's level of satisfaction? More importantly are your customers loyal, or hopefully even your advocates? Pick up the phone, call a number of customers and ask them three questions:

- Are you overall satisfied with our products and services you buy from us? - That's customer satisfaction.
- Would you buy from us again? - That's customer loyalty
- And the most important question: Would you recommend us to your friends and associates? – That's the most important one, customer advocacy.

For each question, ask your customers to rate you on a scale of 1 to 5, with 5 the best rating. Understand that only 5's really count, and that loyalty and advocacy are more important than just customer satisfaction. Set a goal for a customer value index for your company, and then check your progress.



The survey and follow-up is also a good opportunity to ask your customers what else you can do to improve your products or services. But you need to be prepared to resolve problems that customers bring to your attention during a survey.

Marketing communications is so much more than advertising. It should include many ways to touch your customers and prospects, like periodic reviews, newsletters, press announcements, public speaking engagements, web conferences, seminars, and so on.

The Fourth Mistake: Not having a “pipeline”

Think of your business as a farm. Every year, the farmer cultivates, plants seeds or trees, fertilizes and waters, controls pests, and finally gets to harvest. Some cash crops may take only weeks to mature, others like vineyards will take years. Your business is the same: you continually have to adapt your products and services to the customer needs, fill your lead pipeline, keep your customers satisfied, and keep out pests – your competitors! But unlike a farmer who usually knows quite well when to plough, sow, fertilize and when to harvest, a business usually has to do everything at the same time! One big mistake is that businesses get so busy and tied up harvesting that they forget to fill the pipeline with new leads for future sales. Then, suddenly, the well runs dry, and unfortunately you cannot just instantly turn the spigot back on, at least not profitably.

Unfortunately, filling the lead pipeline is becoming more difficult all the time. Prospects are inundated with mail, ads, TV, and telemarketers. Marketing communications are having a diminishing return. Over 30 million households have already registered for the “do not call” list in the first week! So, how do you keep the pipeline filled? There is no simple answer, except to say that you need a **complete and integrated lead generation system**. It may include

- Referrals
- Advertising
- Direct mail
- Seminars and trade shows, and
- Inbound and outbound tele-prospecting.

Don't forget the differentiated value proposition. Tell the prospects why they should do business with you; then say it well, and consistently.

Studies with major corporationsⁱ have shown that a well-designed Integrated Direct Marketing system creates **2-5 times more leads** than any individual communication.





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And Fifth Mistake: Taking too Many Shortcuts

Marketing is hard work. It takes a lot of heavy lifting. Just about every week, we seem to run into another “can’t miss, will make you millions” marketing scheme. But the dotcom bubble has shown us that the fundamentals of business have not changed. Remember the multi-million dollar dotcom commercials from the past? Most companies no longer exist. If it sounds too good to be true, it usually is.

Conclusion

Marketing requires a good strategy, first-rate communications, and a consistent execution over the long haul. There simply are no shortcuts. Just look at some of the most successful and valuable brands like Coca Cola, IBM, or Honda. They all were the result of decades of investment in marketing, commitment to quality and service, and above all a consistent customer experience.

