WHAT WERE THEY THINKING?
Marketing Lessons I’ve Learned from over 80,000 New-Product Innovations and Idiocies
ROBERT McMATH and THOM FORBES
### MAIN IDEA

Companies throw away millions of dollars unnecessarily by repeating their marketing mistakes of the past over and over. By studying what has and has not worked in the past, marketers can significantly improve their chances of success. This common sense approach to marketing suggests that if a marketer is ignorant of the mistakes of the past, he is likely to repeat them again, losing a lot of money in the process. By contrast, if a marketer tries to emulate the success of previously successful products, there is a lot of money to be made.

New products only succeed when everything that has to go right does actually go right. That is a tough assignment in the real world, but marketers can increase their chances for success by being realistic, by examining product concepts rigorously right at their inception, by questioning their assumptions as they develop them and by remaining flexible enough to make adjustments and corrections as snags and hitches are encountered.

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Marketing Hot Buttons for Success in the Millennium

Main Idea
Products that will excel in the next millennium will be those that meet or exceed customer needs in the following areas:
1. Greater convenience
2. Environmentally sound
3. Ethnically diverse
4. Fun
5. Nutritional
6. Packaging
7. Size
8. Youth

Supporting Ideas
Why are these areas of critical importance to marketing programs in the new millennium? Consider:
1. Greater convenience
   Consumers are willing to pay a premium for any product, concept or service that will save them time and make their lives easier. In fact, given a choice between what is politically correct and whatever is more convenient, convenience will win out 90 percent of the time.
   Time is the single commodity nobody has enough of. Convenience, in its purest form, is anything that saves time. If you offer a product or service that is genuinely convenient, you have a sustainable competitive advantage.
2. Environmentally sound
   Most consumers today feel they have an obligation to preserve the environment as much as possible for future generations - within reason. In other words, they’re willing to do their part as long as they don’t have to go to extremes and put up with inferior products in the name of the environment.
   Take advantage of this by incorporating recycling, less packaging and environmentally friendly processes as much as possible, but still turn out a quality product or service.
3. Ethnically diverse
   Due to increased awareness of the health risks of a high sodium diet and the ongoing wave of immigration, food tastes are constantly evolving. At present and into the next millennium, for example, the U.S. food market is evolving towards hotter and spicier foods.
   Expect food to continue to undergo a flavor revolution in the future as more and more consumers become acclimated to new spices and flavors.
4. Fun
   People like products and services that are fun to use, fun to prepare, fun to pronounce or that have something special going for them. Expect this trend to gain momentum in the last years of this century and into the next millennium.
   Find ways to inject a little fun into whatever you make or offer, and people will start fan clubs dedicated to your product or service. Mold your product’s design to the sensibilities of your target consumers, and build in the features that will be required, but be on the lookout for that extra something that will make your product or service sizzle - an element of fun and creativity.
5. Nutritional
   People want to be healthy and want to eat products that are good for them, but they become baffled by all the conflicting advertising claims marketers are using for their products. That confusion, in turn, leads to cynicism and skepticism.
   Foods, beverages and services which will help people keep fit, control their weight and/or improve their appearance will continue to excel in the marketplace into the next millennium - provided they also taste good.
6. Packaging
   Attractive packaging can be the sole difference between marketing success and failure because packaging can:
   1. Differentiate commodity products.
   2. Explain product benefits clearly and concisely.
   3. Be minimized, to show environmentalism is important.
   4. Move easily across national borders into the global market.
   Well designed packaging can make even the most basic product something special.
7. Size
   Going bigger or going smaller than your competition can be a great marketing angle to be exploited -- as long as it also delivers logical consumer benefits.
   Achieve that and you can position your product into market niches that were previously served by your competitors. Be careful though, and make certain your new sizes deliver added value, or consumers will ignore your product.
8. Youth
   Kid’s versions of adult products are a huge niche, because with both parents working, more kids are doing the shopping and preparing meals than before. In addition, the amount of money kids typically spend each year is steadily rising.
   Keep in mind kids have grown up with computers. They’re totally at ease ordering products via the Internet, interactive TV or whatever other technology is available. This trend is going to gain momentum in the next millennium, and you can guarantee the emergence of cybershopping is going to be as significant on the next generation as TV advertising was on the current generation of consumers.
   If appropriate, think about:
   1. Developing a child’s version of your product.
   2. Making it available for sale through the Internet.
   3. Developing new products focused on youth market needs.

Key Thoughts
"I expect these areas to remain hot right into the third millennium.
One word of caution: All of the marketing fundamentals still apply. A vitamin-fortified granola bar simply packed in recyclable paper that kids like to eat because it makes a cool crunching sound when they bite it may be loaded with positive attributes. When you get down to it, though, the make-or-break attribute for food is taste. If that bar doesn’t pass kids’ no-nonsense taste test, it will flop."

- Robert McMath
Me-Too Marketing and Product Line Extensions

Main Idea
Me-too marketing -- selling a product or service that is nothing more than a blatant copy of something else -- almost always ends up in failure. A more productive approach is to create a new and innovative product that actually fills a need.

Supporting Ideas
To succeed, me-too marketers must:
1. Find a way to make consumers believe they have a demonstrably better product than the market incumbent.
2. Spend enough money on an ongoing basis (which will be more than the market leader spends) to make consumers aware of the new product.
3. Convince retailers you’re going to spend enough money over the longer-term to make consumers aware of your product.
4. Be prepared to pay more than the market leader is willing to pay to secure sufficient shelf space for your product.
5. Must be willing to endure a long and protracted price war during which profitability will be marginal or non-existent.

If you don’t have the financial resources or the determination to follow these five rules of me-too marketing, focus instead on developing a product or service that has sustainable competitive advantages over existing products. Innovative products will always command premium pricing and profitability levels.

Most years, the majority of new products introduced are simply new varieties, formulations, sizes or packages of existing products. These are called line extensions or brand extensions.

Line extensions are popular among marketers because:
1. They’re cheaper to introduce because both the trade and the consumer are already familiar with the brand.
2. Line extensions can extend a brand’s franchise into areas in which it traditionally has not competed.
3. Line extensions can test the staying power of a new trend, and gauge whether the trend is significant or just a fad.
4. Line extensions control shelf space, and keep competitors from getting their products in stores.
5. Line extensions carry an implied guarantee of consistency -- consumers have been educated to know what they’ll get in terms of quality whenever they see that specific brand.
6. If a line extension doesn’t pan out, it can rapidly be substituted for something else without affecting sales.
7. A line extension can give a fading brand a new lease of life.
8. A line extension can dissuade potential competitors from entering that market, particularly if your company has substantial financial resources available to it.

Today’s consumers, faced by an impressive array of choices -- new flavors, improved formulas, handier sizes, etc, -- use brands to save time. They are more accepting of line extensions today than at any other period.

There are, however, substantial disadvantages to line extensions, including:
1. When there are too many brand extensions, the brand name becomes blurred, and people begin to wonder what has gone wrong with the original product or service.
2. Line extensions often have the effect of cannibalizing a company’s own sales in addition to taking sales away from the competition. Loyal customers buy less of your original product when your product line is extended.
3. Line extensions don’t create a larger market -- they simply divide the existing market into smaller shares for everyone.
4. Line extensions may make sales surge initially while hiding product weaknesses that will not come to light immediately. Consumers may try something new until the novelty wears off, and then the product may struggle.
5. It’s less risky to extend a successful product than launch a new product. Therefore, line extensions tend to serve the marketer’s needs rather than those of the consumer.
6. Line extensions can ultimately undermine brand loyalty.
7. Line extensions can turn customers off your products and onto your customer’s products or services.

The value of a brand lies in the good name it has earned over time by delivering a consistently good product. Once people become accustomed to a brand, they expect it to deliver a consistent customer experience and quality. Consumers become loyal to it as a result of their past positive experience.

Even more, strong brand names stand for something vibrant and dynamic. Whenever those brand names are attached to something in a totally different consumer field, some of that energy is dissipated. If marketers aren’t careful, they can suck the life out of their strongest brand-name assets by attaching them to a list of non-affinity products and services.

Key Thoughts

"Extensions are the lazy man’s way to jump-start sales. Most of the reasons people use for line extensions are rationalizations or conventional wisdom handed down from upper-level managers to middle managers and then back up the line. More often than not, I believe that an extension satisfies the internal needs of marketers rather than the needs of their customers. Product-line extensions are particularly seductive but lethal. I don’t think consumers will be excited by the Betty Crocker line of cereal any more than their fancy was tickled by Kellogg’s 4 Minute Fudge. Sure, those venerable brand names demand attention and goose initial sales. But in the end, Betty Crocker means baked goods and Kellogg’s means cereal.”

– Robert McMath

"Can you imagine the reaction of a congregation if its minister announced that he embraced the values of sex, drugs and rock and roll? Can you imagine the reaction of Pearl Jam fans if lead singer Eddie Vedder renounced loud music? The value of a brand is its good name, which it earns over time. People become loyal to it. They trust it to deliver a consistent set of attributes. Don’t squander this trust by attaching your good name to something totally out of character.”

– Robert McMath
### 3. Avoiding Corporate Alzheimer’s Disease

**Main Idea**
New products must be developed against a historical perspective of what has already succeeded and failed. Particularly the failures. Until you understand why a new product concept failed in the marketplace yesterday, the odds are good that you’ll make the same mistakes again tomorrow.

**Supporting Ideas**
Over the past few years, many companies have downsized their staffing levels. As a result:

1. Nobody feels secure in their jobs anymore, and therefore there is less of a sense of loyalty to employers. As a result, corporate culture and traditions are less influential than they used to be, and everyone anticipates they will only be with their present employers for a short period.

2. Most of the people who have been pushed out of corporations are the old-timers who know what has been tried in the past and why it failed.

Therefore, corporate Alzheimer’s disease has become more widespread. Some of the symptoms:

1. More products are coming to the market today that are carbon copies of ideas or concepts that have failed in the past.

2. Companies seem less aware of the flow-on effect an unsuccessful product launch has on their existing product lines.

3. Companies seem willing to launch me-too products that totally ignore the nature of their target markets.

The cure for corporate Alzheimer’s disease? Bring back the grizzled veterans as consultants. Pay them whatever they want for per-diem consulting fees. Following their hard-earned and inevitably practical advice will save your company much more in the long run than you’ll spend on consulting fees.

If nothing else, the veterans will at least be able to tell you what questions to ask. Sometimes that alone can be the critical difference between success and failure.

**Key Thoughts**

“Today is the first day of the rest of your life” is an excellent adage for addictive personalities or people who have been through an upsetting experience. It’s a horrible way for a business to operate. That’s just what many companies are doing, however, whether intentionally or not. One of my major themes in speeches is the importance of bringing a historical perspective to new-product development. In order to successfully produce tomorrow’s products, you must be aware of what has already succeeded and failed. Sure, times change. Tastes come and go. Fashion is fleeting. And just because an idea failed yesterday doesn’t mean that it will flop tomorrow. But unless you understand why the concept failed yesterday, odds are that you’ll make the same mistakes again.”

— Robert McMath

### 4. New Product Innovation

**Main Idea**
The more new products marketers develop, the less innovative they seem to be.

**Supporting Ideas**
An innovative product offers consumers a new and significant added benefits. To determine whether or not a proposed product is innovative, use these five questions:

1. Is the new product positioned so it will expand the total market by appealing to new users?
   That is, will the new product bring new users into the overall market, or is the new product simply trying to win market share at the expense of the market incumbents?

2. Is new packaging being introduced which offers customer benefits?
   The introduction of environmentally sound packaging to replace conventional packaging definitely qualifies as innovative, but more importantly, there is a perceived consumer benefit.

3. Is value added through a new formulation?
   A new variety of a previously existing product only adds value if it differs in some way that is fundamentally important to that specific market segment. Without the added-value component, the new formula is just a gimmick.

4. Is a new technology being introduced?
   When R.J. Reynolds introduced a smokeless cigarette, they were releasing a product which utilized new technology. They had insurmountable problems, however:
   1. The new product tasted bad.
   2. Smokeless cigarettes appeal to people who don’t smoke.
   3. Nonsmokers don’t buy cigarettes, even smokeless ones.
   4. Smokers like to be enveloped in clouds of smoke.
   5. The new product smelled bad when burning.
   The lesson? Innovative products have to include a technical edge, but that alone won’t guarantee success.

5. Does the product open up a new market for the category?
   If so, that added-value can translate into marketing success. If not, however, it falls into the me-too category and faces an uphill struggle to succeed.

**Key Thoughts**

“More than nine out of ten consumable products launched in the mid-1990s offered absolutely nothing new to the consumer. More than eight out of ten new products fail. You don’t need to be a statistician to realize there’s a correlation between the two numbers.”

— Robert McMath
Main Idea
Marketing success dictates that you never assume customers know why or how they should use your product. You have to be extremely explicit in communicating these features to consumers, particularly when introducing concentrated products.

Supporting Ideas
Relying on consumer common sense is a quick way to marketing oblivion. The more specific information you provide about your product or service, the more reasons consumers will have to actually purchase it. The more uses for your product you teach people, the quicker they will use up their initial stocks and come back for more.

Keep in mind that consumers frequently will end up doing the opposite of what you’d originally intended. They will also sometimes make assumptions you’ll wish they hadn’t. For example, when Planter’s peanuts introduced a new vacuum sealed packaging, consumers assumed it was a new brand of coffee and promptly gummed up supermarket coffee-grinding machines with peanuts. Consumers were so used to seeing coffee packaged that way they didn’t realize peanuts could benefit from vacuum packaging as well.

In a similar vein, concentrated products -- commonly used products which have the water removed to cut down on packaging costs -- have gained popularity as consumer environmental awareness has increased. That has, however, created perception problems as consumers have wondered whether or not concentrated products are just as good value as non-concentrated products.

The underlying problem is that most consumers won’t read the instructions, or don’t like the work (or the accompanying inconsistency) of having to add water themselves. This fact suggests the concentration trend can be carried too far, and it may get to the stage at which consumers don’t feel they’re getting their money’s worth -- which is fatal to long-term marketing success.

Most consumers don’t read the fine print: many, in fact, won’t even read the bigger print either. When you ask consumers to buy a concentrated product which has the same power as a package twice the size, you’d better be prepared to clearly and consistently articulate why the concentrated product is as good as its larger competitors. People like being environmentally aware -- as long as it doesn’t cost them too much.

Key Thoughts
"Deep, deep down, consumers often don’t believe that a lesser amount of soap powder will really get their underwear as clean as a heaping cupful will. So they use the larger portion. Then they begin to think that they are buying the product too often, and that the manufacturer is just raising its profits by making the package smaller. Manufacturers of concentrated products have to contend with one of the great truths of marketing: Consumers often don’t read instructions or directions, no matter how clearly you communicate them."

— Robert McMath

Main Idea
Successful companies rarely seem to be able to resist the urge to tinker with whatever generates the bulk of their revenues -- usually resulting in lower and lower sales.

Supporting Ideas
Companies that have weathered some of the most intense marketing battles in history sometimes appear to be on suicide missions by fooling around with their most profitable products and services when everything is going smoothly.

Consider, for example, PepsiCo. In recent years, it has:

- Used Pizza Hut to introduce a whole raft of new product variations (cheese-stuffed crusts, herb-stuffed crusts, spicy chicken wings, pocket pizzas) within such a short period of time nothing has a chance to make an impact.
- Introduced Crystal Pepsi - a clear, non-caffinated, no-preservatives cola drink which aligned itself with the early-90s trend of introducing clear products. Crystal Pepsi (which cost around $100 million to develop and market) had one fatal flaw -- it tasted terrible.

By carrying out these types of marketing activities and new product introductions, PepsiCo not only managed to dilute the value of its own Pizza Hut and Pepsi brand names but it also managed to confuse the marketplace. As a result, people started questioning specifically what qualities they associated with PepsiCo's well established brands.

A far better approach would have been for PepsiCo to exploit the value of its brands by fighting from a position of strength. PepsiCo should be looking for ways to expand its market by introducing new products that cannot be duplicated by other companies.

Examples of this better approach:

- Nabisco introduced Teddy Grahams cookies -- a combination of its successful Graham Crackers and Barnum's Animal Crackers. Teddy Grahams are Graham Crackers cut into the familiar animal shapes with flavoring added. Even though other companies introduced me-too products, nobody has been able to match the results achieved by Nabisco. This is a good example of leveraging an established brand.

- Procter & Gamble developed a product which would soften babies diapers and other babies clothing softer in the 1960s. Today, every laundry detergent manufactured by Procter & Gamble incorporates a fabric softener as part of it -- thereby creating a much broader market for the product than originally envisaged.

- CNS released its Breath Right nasal strip just in time for the 1995 Super Bowl. Some of the athletes wore the strips in the televised game -- launching CNS' sales revenues from $700,000 the previous third quarter to more than $10 million in 1995.

Key Thoughts
"Failure is an opportunity."
— Lao-tzu, Chinese philosopher

"There are no secrets to success. It is the result of preparation, hard work, learning from failure."
— Colin Powell
Main Idea
From a marketing perspective, image is everything -- even if the image is that "Image is nothing".

Supporting Ideas
When consumers drink a particular beverage, wear a specific piece of clothing or eat something, they are, in reality, drinking, wearing or eating the marketing component of that product. They are eating, drinking or wearing the image and positioning of that product.

Advertising has never had anything to do with the product itself. It has always been totally centered on the consumers whose use its products, and the most effective way to convey them as being up-to-date and at the cutting edge of fashion trends, solely because they use the right product or service.

Some great examples:
- Sprite introduced an “anti-advertising” and “anti-image” campaign recently. It was based around conveying the idea that the image is nothing and that people should simply obey their thirst. That appealed to the sensitivities of the younger generation of the 90s, who hate being told what’s cool and what’s not.
- In an earlier generation, a drink called Postum was positioned as a healthy alternative to coffee. It used great advertising to scare people off caffeine and onto drinking Postum, until its corporate parent, Kraft Foods, became the world’s largest coffee marketer and Postum was allowed to fade away.

As well as creating a compelling image, marketing also requires products to be packaged properly before they will succeed. For example:
- BBQ Buddies is a spray on barbecue sauce. It’s exceptionally tasty and should, therefore, be highly successful in the marketplace. It isn’t, though, because it is packaged in a container that looks like it should hold window cleaner, and which is tall and skinny. That package creates a negative image that even a good tasting product cannot overcome.
- Short Cut Double Duty Cleanser by Colgate-Palmolive has a push-down sprayer on top (for light jobs) and a screw-top opening on the side (for heavy cleaning jobs). The only problem is the solution tends to eat through the screw-top’s seal, making the packaging leak cleanser in the store or on the way home from the store, creating quite a mess.

By contrast, products which have excellent packaging which suits the product include:
- L’Eggs
- Tic-Tacs
- Popsicles
- Reach toothbrush
- Mentadent
- Slim Jims
- Hostess Cup Cakes
- The fluted Coca-Cola bottle

Main Idea
Telling the difference between trends and fads can be tricky in marketing matters. The critical difference? Trends are long-term, fads are short-term.

Supporting Ideas
Hundreds of companies have lost significant amounts of money by jumping into new markets generated by fads thinking they would have the long-term staying power of genuine trends. Inevitably in those situations, the anticipated market never eventuates, and everyone ends up losing money.

Example:
- The wine-cooler explosion of the 1980s. Two college buddies introduced the California Cooler - a mixture of white wine, citrus juice, carbonated water and fructose. By 1985, there were more than 150 different wine-cooler brands available. Of those brands, only a handful remain in business today -- obliterated by the marketing war that took place when big corporations entered the wine cooler market and the fact most people returned to their regular drinking habits after briefly sampling wine-coolers.

Any time you feel tempted to jump on a trend, look at it long and hard. Try to imagine what will happen as more and more companies do the same thing and enter the market. Also try to visualize who will survive and who will whither away if the margins are reduced to razor-thin levels -- because that’s what invariably happens in any market that reaches a significant size. From that perspective, it might not make that much sense to jump on the trend after all -- especially if it later turns out to have been just a short-term fad without any staying power.

Take, for example, online shopping. Some experts believe online shopping will never take off because people enjoy the social interaction of physically visiting shops. Another group of experts believe online shopping will be a major consumer trend, and that it will capture 10- to 20-percent of consumer expenditure in the next decade.

The competitive advantages of online shopping are impressive:
- It’s fast
- Around the world shopping is just a mouse-click away.
- It’s ideally suited for comparison shopping.
- Online shopping eliminates intermediaries, lowering prices.
- Shop sizes are unlimited, reducing shelving conflicts.
- Orders can be placed at any time of the day or night.
- There are no traffic jams, purse snatchers, car jackers or snowdrifts to worry about.

Will online shopping be a fad or a trend? You decide.

Key Thoughts
"The only people who truly enjoy shopping for the everyday essentials of life are people, as the teen-agers put it, who need to get a life. Anything that makes shopping easier will prosper. I think that many people will begin to place regular orders for their groceries and perhaps go to the store once a month to check out what’s new. I think electronic shopping will capture as much as 30 percent of the market by 2005."

- Robert McMath
Main Idea
Having a strong distribution channel is important. A large advertising budget is a great help. A clever brand name is a plus. But in the final analysis, “You won’t sell a thing if your product or service ain’t got that zing”.

Supporting Ideas
From time to time, health foods enjoy a surge of temporary market success. People like the concept of eating something that’s healthy, but when it comes down to the crunch, they’ll invariably choose something that tastes good, even if it’s the unhealthy choice.

That’s the reason super-premium ice cream has flourished during a period when consumers have moderated their eating habits. They taste very sweet and very rich. In fact, super-premium ice cream tastes so good consumers are willing to cut down on their consumption of other foods to make room for some ice cream.

Another long-term trend in marketing has been the failure of pre-measured products. For example:
- MaxPax Coffee introduced a pre-measured coffee maker filter. It failed because consumers like to be able to adjust the strength of their coffee to their own individual tastes.
- Laundry detergent tablets proved to be equally unsuccessful. It didn’t allow them to use less detergent for smaller loads, or extra detergent for extra heavily spoiled clothing.
- Similarly, pre-measured packets of bleach and fabric softener have failed in the marketplace because consumers prefer to be able to vary their use of these products.

Closely aligned to this is cause-related marketing, which became fashionable during the 1980s. Many manufacturers decided it was important to be politically correct, and to offer products that either saved the rain forests, fed orphans, promoted peace or whatever cause de jour was fashionable at the time.

By and large, consumers gave lip service to the cause, but still went with their tastes and preferences when it came time to go shopping. There has even been a bit of a backlash against cause-based marketing -- today’s consumers tend to be cynical about manufacturer claims that buying one product rather than another will make any difference in the world whatever.

The only cause-based marketing program that seems to have become a long-term success are credit card companies who pay commissions to college alumni associations and other nonprofit groups. Consumers like stressing their personal affiliations.

Key Thoughts
“Most products are very different from credit cards. Their value is in what they look like, taste like or feel like. And their name and marketing programs should reflect those inherent benefits rather than external factors like saving trees, feeding orphans or promoting peace. If you want to save the rain forest, write out a big check and put it in the hands of a reputable nonprofit organization. If you want to make the big profit that allows you to write out the big check, affiliate your product with benefits that are more universal, durable and tangible than a cause du jour.”

-- Robert McMath

Question: Who are Our Target Customers?

Main Idea
Marketers typically ask: “What is our target market?” That’s the wrong question. Always start with the question: “Who are our target customers?”

Supporting Ideas
Instead of thinking about the “mass market”, “niches”, or even “market share”, remind yourself that markets are made up of real people. Always look at things from the perspective of the flesh-and-blood credit-card-bearing honest-to-goodness consumer to whom you expect to sell.

Think about how you can develop a product or service that responds to their individual needs rather than treating them like abstract pieces of data.

Contrast these two marketing approaches:
1. In 1980, the Scott Paper Company introduced ScotTowels Junior as a response to cheaper, generic paper towels. They came in rolls that were 8.2 inches long rather than the industry standard 11.0 inches wide, requiring people to install new dispensers or use an adapter (which was available separately and that most consumers weren’t aware of). The product bombed -- it was perceived as a company trying to create a false problem to which only it provided a solution.
2. In 1994, Procter & Gamble introduced Bounty Select-A-Size -- an 11.0 inch wide paper towel which had twice as many perforations as the standard paper towels. If consumers needed just a small paper towel, they could use half a sheet. For larger jobs, a sheet and a half might be ideal. And so on.

This illustrates the difference between developing a product for consumers and developing a product for a market. The Procter & Gamble initiative succeeded because it responded to a real concern of its customers. The Scott Paper approach failed because it was simply a reaction to competitive pressure by claiming a benefit consumers recognized as false.

So, from an individual consumer’s perspective, what is the strongest marketing advantages a company can have? It is to offer a product that eases people’s embarrassment or self consciousness.

That’s one of the reasons online shopping will inevitably take off. Everybody hates bumping into someone in the supermarket they know, and having them scan their shopping trolley to discover something embarrassing. Or even having to face the supermarket check-out clerk’s scrutiny of your selection.

What types of products are people embarrassed to buy:
- Antacid products that reduce gas
- Contraceptives
- Hemorrhoid relief mixtures
- Incontinence pads

Find ways to reduce people’s embarrassment when they buy these or similar other products and they will pay a premium for the service.
Main Idea
A significant point of difference from competing brands is essential in launching a new product. It is the one key benefit that you can really hype.

Supporting Ideas
Significant points of difference are sometimes called unique selling propositions. They consist of the one key benefit of your products or services. Examples:
- M&M’s melt in your mouth, not in your hand.
- Wonder Bread helps build strong bodies twelve ways.
- Lever 200 combines the cleaning properties of soap with a moisturizer and a deodorizer.

Good significant points of difference:
1. Are factually correct.
2. Leave competitors flat-footed and unable to respond.
3. Make a product stand out from every other competitor.

Worthless significant points of difference:
1. Claim to solve problems that don’t really exist.
2. Make claims that are deceptive or untrue.
3. Allow competitors to position their products more effectively.
4. Introduce new technology just for technology’s sake rather than to provide added value for the consumer.
5. Are built around totally arbitrary features, such as an unusual product name.

Succeed in developing a strong significant point of difference and the marketing battle is already half won. Stumble at this hurdle and the battle may be lost, even before the product is released.

Key Thoughts
“"You can't turn a sow's ear into a Veal Orloff, but you can do something very good with a sow's ear.””
- Julia Child

“"Those who cannot remember the past are condemned to repeat it.””
- George Santayana

“It’s essential that you beg, borrow, buy, steal or concoct a Significant Point of Difference for your product. But there’s one more hurdle. It has got to be a point that consumers care about. There are points of difference and points of difference. Some are significant. Some are worthless. Don’t bother drawing attention to the worthless ones because the consumer will see through them in the end. Significant Points of Difference are effective solutions to real problems. Worthless Points of Difference are made by products that offer solutions to problems that don’t exist.”
- Robert McMath

Main Idea
One of the cardinal rules of marketing success is to never promise whatever you can’t or won’t deliver.

Supporting Ideas
Put aside all your marketing rules and look at your product from Mr. or Ms. Average Consumer’s perspective. When they get your product or service, does it fulfill the promise contained in its illustration, it’s name or its advertising? If not, you’ve definitely got a problem that must be addressed if you hope to stay in business long enough to generate some profits.

Everyone is both a consumer and a producer. How do you feel when you pay your own hard earned money for something that fails to deliver on its much vaunted promise? Do you immediately feel like running out and buying their next product, just to repeat the experience?

In the final analysis, you can tell deep in your gizzard whether or not the product or service offering you provide is based on deception or whether it genuinely delivers on its promises -- both stated and implied. A warning sign that you’ve crossed the boundary between being positive and being deceptive is often accompanied by numerous customer complaints. In the long run, it’s just not worth the hassle. A far better approach is to ensure you deliver on whatever you promise.

Remember, consumers are always going to judge the claims of your new product or service by comparing it against the traditional way of doing things. They will be willing to stick with the tried and true unless the new product offers a concrete benefit.

Therefore, if you expect to change the traditional way of doing things, you have to be prepared to offer a genuine advantage over existing brands with a product that delivers on everything that it offers. Achieve that and you can get your picture permanently enshrined in the marketer’s hall of fame.

Key Thoughts
“"Innovation is undoubtedly 99 percent perspiration and 1 percent inspiration. It has become very costly to develop truly innovative products, and most companies unfortunately no longer seem willing, or able, to make such risky investments. In many ways, it’s really up to individuals like you, whether you are within a large organization or on your own, to think creatively and persevere. And that often means making mistakes. There is no better path to success, I believe, than by learning from your losses. The history of marketing is filled with notable examples of people and products that have rebounded from despair and disaster. We should respect our losers even as we admire our winners. Never forget that we have at least as much to learn from failure as we do from success. Pay attention to history with the same devotion that you track trends. Although product cycles move much more quickly nowadays, and the pace will only quicken, there’s very often a parallel in the past that will give you the grounding you need to survive.””
- Robert McMath