



The Five Biggest Marketing Mistakes

By Onset Marketing

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 they prevent the company from maximizing its 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, not to 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 income, 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 with capital to fund your business without a well-written marketing plan!

Too many companies implement marketing haphazardly and in a piecemeal fashion. 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 **pragmatic 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 current marketing plan is to imagine yourself with 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 him/her solve the problem. That's called the "**elevator statement**".

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, customer support, and warranty.

The second is that you need to clearly understand the **value proposition** that you offer, and how it sets you apart from your competition. Write an elevator statement.

Let me give you an example: "At Onset Marketing, we provide complete marketing services, from strategy to implementation, for small to medium-sized companies. We provide a breadth of services and a level of expertise that compares favorably with the largest and best-known consulting companies, but at rates that are affordable for our target market. We know of no other company that competes with that!"



To understand your target market(s) and develop a plan, ask questions like:

- Who is your product, service, solution aimed at?
- How many companies or people does that “who” represent? What are their characteristics, and where are they located?
- What problems do your targeted prospects have?
- What are the prevailing business conditions in the market?
- Are there any compelling needs for your products or services, like new legislation, competitive pressures, or changed business conditions?
- What is your market share, compared to you competition’s?
- Is the market growing, or declining, and at what rate?
- Who are the decision makers, and what most concerns them?
- 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 itself, as a 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 do 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 deliver the practical results for which you are looking. Now that you have a winning value position, and can clearly differentiate your business from competitors, you need to repeatedly communicate that message to targeted 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 are not alone: we have seen many Fortune 500 companies develop annual marketing plans, present them to their executives, then promptly forget the plan and go on with “business as usual”.

When we brainstormed on a logo for Onset Marketing, we decided on a triangle which represents our view of the “holy trinity” of marketing. The three sides are **Focus, Innovation, and Implementation**. We already talked about Focus, the need to clearly target a market segment and provide a differentiated value proposition. Innovation is naturally associated with



marketing, in processes like writing commercials, brochures, creating web pages and marketing materials that stand out. But the often forgotten third side 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.

One of the ideas that we came up with is the **Marketing Audit**. 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 nobody 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. We have developed a 300-point audit that checks all the important elements of a marketing plan. Most marketing plans that we reviewed, quite frankly, had gaps and omissions that were large enough to drive a truck through!

The Third Mistake: Forgetting your Customers!

You may be thinking now, no, that's not one of our problems. We talk to our 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 satisfied, overall, with the 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 factor --- **customer advocacy**.

For each question, ask your customers to rate you on a scale of 1 to 5, with 5 being the best rating. Understand that only 5's really count, and that loyalty and advocacy are more important than just customer satisfaction. You can find the formulas for the Customer Value Index on our web page at www.onsetmarketing.com. 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. There are few more damaging actions you can take than asking for a customer's opinion and then ignoring it.



At Onset Marketing, we believe that a good communications plan is a critical part of your marketing effort. 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, blogs, web conferences, seminars, and many more.

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 your customers’ 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 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 registered for the “do not call” list in the first week it was created! So, how do we 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 or direct e-mail
- Seminars and trade shows, and
- Inbound and outbound tele-prospecting.

Don’t forget your differentiated value proposition. Tell prospects why they should do business with you, say it well, and say it 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. Onset Marketing has a created such a system, called “The Blitz”, that integrates letters, postcards, and well-timed phone calls, all with a **consistent message**.

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 in 2001/2002 showed us that the fundamentals of business have not changed. Remember the multi-million dollar dotcom commercials during the 2000 Super Bowl? Most of those 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. 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 dedication to delivering a consistent, positive customer experience.

ⁱ Ernan Rowan: Integrated Direct Marketing