

Increasing Sales Through Product Launches

Has This Ever Happened To You?

It happens all too often. A new product is about to be introduced. It's technologically advanced, it meets a clear market need and it is significantly differentiated from the competition. With all the customary hoopla and fanfare, the product is introduced to the sales force. During the next few weeks, everyone holds their breath waiting for reaction from customers. Salespeople report great initial enthusiasm from the marketplace and, with a sigh of relief, management begins to wonder whether the early sales projections that seemed so ambitious before the launch should now be revised upwards.

Then a curious thing happens. Market enthusiasm wanes. Expected sales are much less than expected. Excuses give way to blame and the finger-pointing begins. Maybe it isn't such a fine product after all; marketing hasn't positioned it properly or the sales force is incompetent. There are plenty of candidates to take the blame but the fact is that nobody has a clue why a product with such great promise seems to be struggling for its life. What is going wrong?

The product itself often becomes the first target for finger-pointing. But the fact is that some of the best products of our time have gone through exactly this rocky start. Disappointing initial sales is an epidemic, and sometimes fatal disease in the life of many new products and services. There are a lot of deserving innovative products that don't survive.

Why should promising products from highly respected companies fail despite clear evidence of market need, strong marketing support, and real enthusiasm and energy from salespeople? It's a question that has puzzled generations of product managers whose impressive rise to corporate fame has been temporarily or permanently blocked by slow sales of their latest new product offerings.

The Product-Focused Approach

The reason for failure is not intuitively obvious. The trap is set right from the start, by the product developers and the product marketing people who spent so much quality time getting the product ready for launch. The new product was introduced as all products had been introduced in the past. The product and its features were presented and demonstrated to the sales organization and a lot of excitement was generated. And subsequently...the sales organization called on their prospects and customers and “pitched” the product in the same fashion it had been introduced to them.

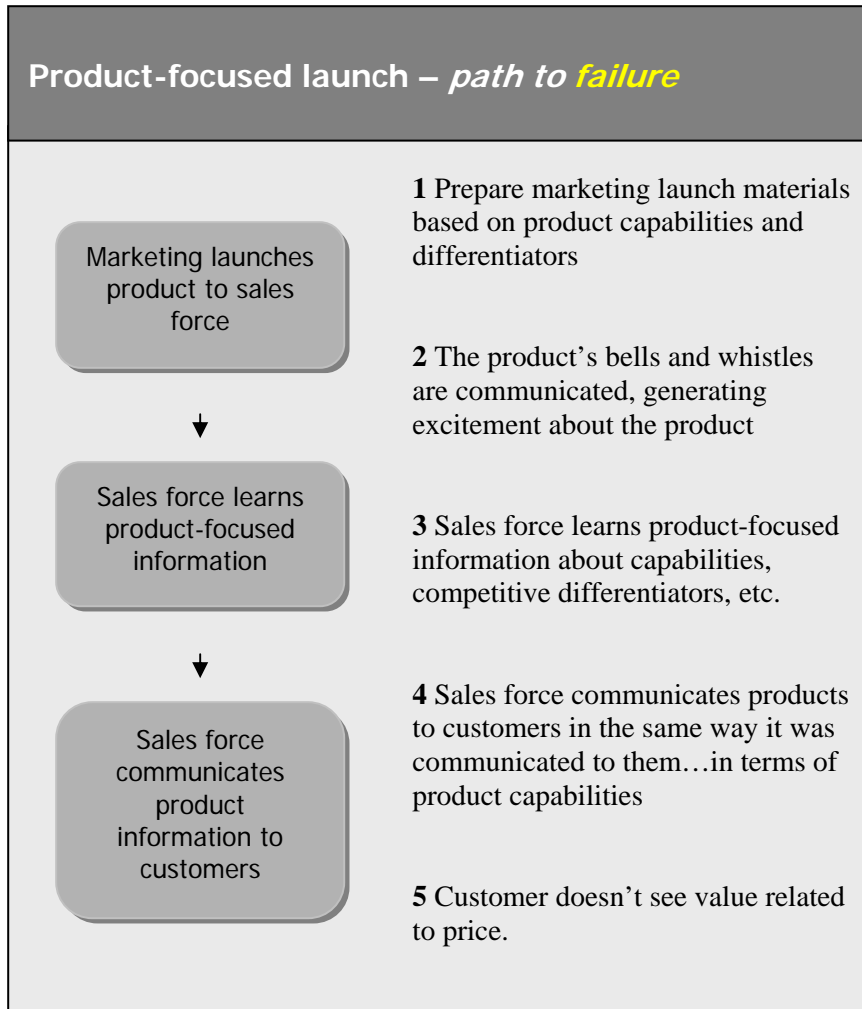
Sales people made statements like, “This new product is going to really help you do things better, let me tell you about it.” or “Let me demonstrate this great new product to you, I know you’re going to like it.” In fact, the customers were initially excited about what they heard and saw. Then the customer asked a question, a question that would change everything – “How much?” And when the sales person provided an answer the customer responded, “Wow...that’s a lot of money. I’m not too sure I can afford to spend that much for a product that has marginal value to me.”

From there it went down hill fast. Because the customer did not see value in the new product – value commensurate with the price – they began to put up barriers to the sales person. And, inevitably the sales person got the message, or so they thought; the product is too expensive or it doesn’t have the capabilities that the customer needs. This result is all too common. Sound familiar? Probably. In reality it was most likely not the fault of the sales force. Because, innovative products all too easily seduce the majority of sales people, and they willingly fall into the “pitch the product” trap that stalls or kills the successful introduction of fine new products.

The remedy lies in a better understanding of the cause. The reason is simple: salespeople communicate product capabilities and details to customers because that’s exactly how the product has been communicated to them. The following illustrates the typical process used by most organizations for communicating a new product to their sales force and, through them, to their customers.

Most product launch events, with their associated collateral materials, focus exclusively on product capabilities. They explain how this product is different and better; they painstakingly dwell on each new bell and whistle. The launch

is designed to sound exciting. Some very smart people put long hours into preparing a great product pitch. So it's small wonder that the sales force is impressed and behaves in exactly the same way when they go out to talk with customers. How the product was communicated to them serves as their model when they communicate with their customers. The trouble is that customers have only a passing interest in product capabilities. Unless the product solves a problem, unless it meets a need, unless its value clearly exceeds the price, then there's no basis for a sale. It takes skillful selling, based on questioning to uncover problems, develop needs and link those needs to new product solutions.

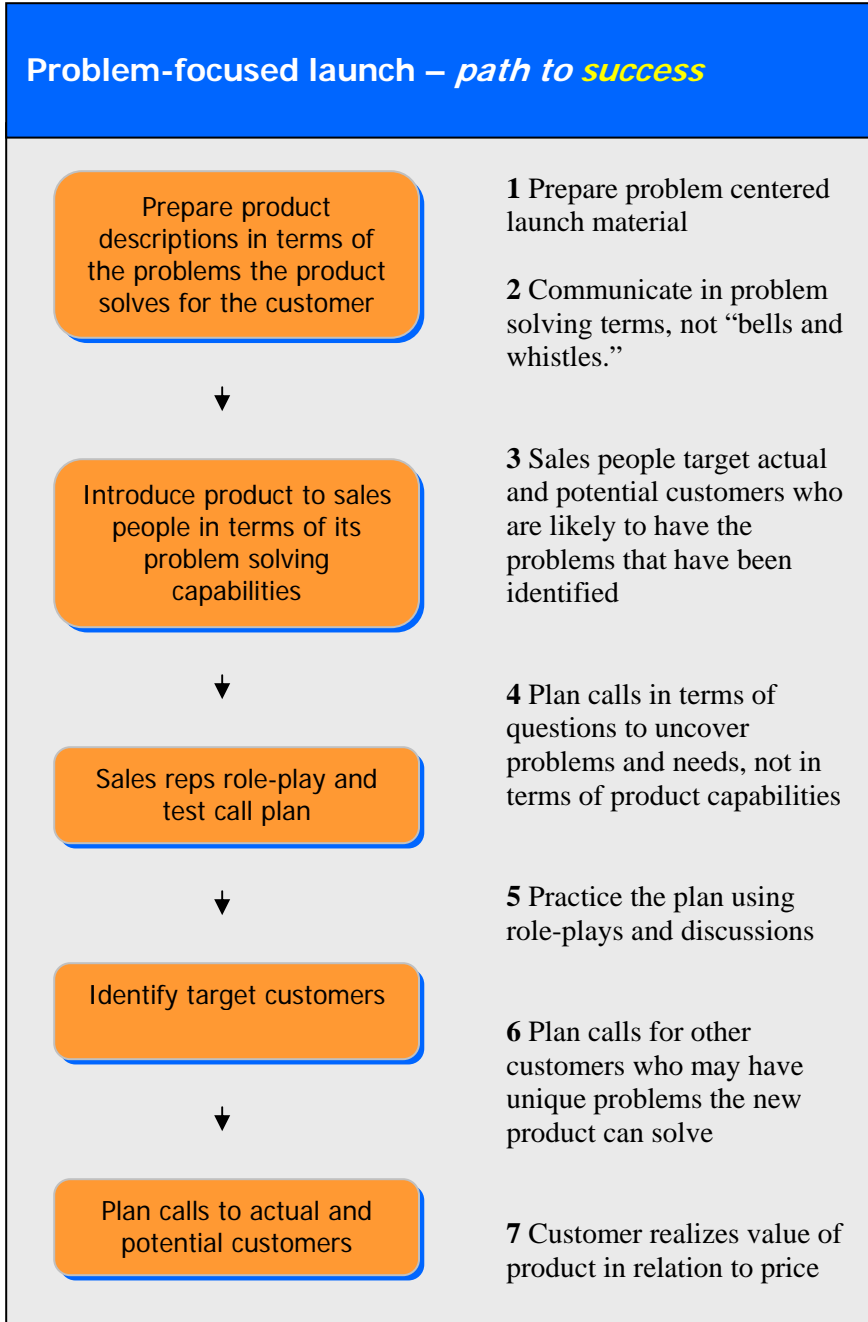


A Better Approach

By altering the way products are introduced to the sales force, we should be able to positively influence early sales. We recommend another approach – the problem-focused product launch. Or to say it another way, the customer-focused launch. All we're doing is making a shift from the product to the customer's problems. This fundamental shift helps us to better answer the ultimate customer question of "how much?" With the problem-focused approach properly implemented – from preparation of marketing materials to the selling process – the customer now understands how the new product will provide value to their organization.

The problem-focused launch consists of the following steps:

- Salespeople are told how the product solves different problems for various types of customers, by specific job title. But, the product's bells and whistles are not described, warning that these product capabilities could easily get in the way of effective selling. To dramatize this point, you could even cover the new product with a tarpaulin so that the salespeople can't see it.
- Taking each customer type or job title, look in detail at the work problems they are facing and how the new product could help solve or reduce each of these problems.
- Ask salespeople to identify who of their existing or potential customers have these problems that the product is designed to solve.
- Have salespeople list the questions they could ask to discover whether these problems exist and how severely the problems are affecting that customer.
- Have each salesperson chose a customer whose problems are particularly severe and practice role-playing a call on that customer. Coach them to sell using questions that develop problems and needs, avoiding discussion of the product's capabilities.
- Finally, have each salesperson plan several customer calls for selling the new product. Each call plan should be based on the questions that the salesperson intends to ask.



By introducing a new product in this way, salespeople should be more effective in the early stages of the new product sales cycle. The dollar sales volume generated by the problem-focused launch approach should be higher.