



# The five deadliest marketing mistakes

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To err is human, but some mistakes are bigger than others. Here are the five most painful, most horrific, most DEADLY marketing mistakes you could inflict on your company ...

## **☑ Deadly Mistake Number 1: Not having a strategy**

I had lunch with a potential new client the other day. He opened an innovative retail business last year and has spent tens of thousands of dollars on advertising. He's tried everything -- print, radio, TV, Internet, billboards. He's had sales, promotions, and PR events but can't seem to move sales.

So I asked him, "Who's your customer?" He said at first he predicted it would be middle-aged women, but then he noticed mostly couples entering the store. He said senior citizens need his product but he doesn't know how to target them. He tried ads in the local college student newspaper to appeal to young people but it got him nothing. And he thought locals would frequent the store but has seen people drive in from neighboring states, too.

## Five most painful marketing mistakes

You can see that it's impossible to have an effective advertising campaign without clearly defining who you're selling to, the customer needs you're meeting, competition, pricing, and your points of differentiation. In fact, if you don't KNOW these things, you are probably going to fail while burning through huge amounts of cash.

My friend is firing "buckshot advertising" ... just shooting here and there, hoping he will get lucky and hit a customer. What he needs is a guided MISSILE ... and that's where strategy comes in.

What makes a strategy? Some of the key elements are:

- Target demographic and market segmentation
- Market positioning and points of differentiation
- Product and service attributes - finding under-served needs
- Competition and external influences, threats and opportunities
- Marketing channels
- Pricing
- Communications and branding
- Distribution

Going through a methodical process to research and identify your marketing approach is the most important thing you can do for your business. And it's so LIBERATING! You don't have to guess any more. You don't have to play advertising roulette. You can sell with confidence and it will work because you have data, insight and a PLAN!

### **Deadly Mistake Number 2: Creating a plan around your ego**



One my wisest and favorite teachers would preach, "There is really no such thing as a personal weakness -- just over-done strengths!" Think about it. It's nice to be out-going, but over-done, it becomes over-bearing. Tenacious becomes stubborn. Laid-back becomes lazy.

Most business owners have to be self-assured to found and run a company. But over-done, that means arrogance. That can be annoying, but when it impacts a marketing strategy, it can be a disaster. Every successful marketer

## Five most painful marketing mistakes

knows to be successful, you have to push aside your personal agenda and serve the customer.

So, painful mistake number two is thinking your business is all about you.

Marketing isn't about who you think you are and what you think customers need. Marketing is about who your customers think you are and what they think they need.

Please write that one down. There will probably come a time in the life of every business where you need to be reminded of this! Time and time again, I hear clients tell me what they want to sell ... without really knowing what their customers NEED. And by the way, those needs are changing, probably dramatically in this economic environment. What are you doing about it?

You deserve a lot of credit for what you've accomplished in your business. I give you permission to celebrate within your own home. But at work, be humble and put your customers FIRST! Listen, respond. Learn and grow. Most of all, beware of your over-done strengths!

### **☑ Deadly mistake Number 3: Thinking your website IS your marketing strategy**

Many business owners imagine the Internet like a Mississippi River of money -- a wide, swollen sea of cash just rushing by! All you have to do is put an Internet site out there and start diverting money away from ol' Man River. This is rarely true.

Here's an actual conversation I had with a seasoned business person looking to start a new business. To protect her identity, let's use codename "Clueless."

**Clueless:** "I want to start a new Internet business and I want you to help me build a website."

**Me:** "Well, what's your business idea?"

**Clueless:** "I don't have one yet."

**Me:** "Then how do you know you want to start a business?"

**Clueless:** "Does it really matter what I come up with? I mean you can SELL anything on the Internet! All you need is a website."

## Five most painful marketing mistakes

I swear ... it happened.

In defense of Clueless and thousands like her, the Internet is an amazing place. I read an article where a woman had made over \$10,000 selling tumbleweeds through a website. Well, even a blind hog finds an acorn once in a while. Maybe it's you ... but probably not.

A website must be viewed as just ONE possible sales and marketing communication channel for your business. And it's going to be worthless unless you have .... what? Have you been paying attention gentle reader? Anyone? Anyone? A STRATEGY!

Your marketing strategy serves as your guide to a successful and cost-effective promotional plan. The strategy is built around customer NEEDS, not your passion to have a website with animations and disco music. If you've done a good job on your strategy you'll KNOW if a website is going to be a major workhouse for you or just a pony you have to have out there for show.

For most small businesses, a website is not even the primary sales channel. Usually it's another form of advertising or networking and referrals. Is networking really a marketing strategy? Sure it is. Remember, you're trying to sell more stuff, to more people, for more money. If it helps you do that, it's marketing.

### **☑ Deadly Mistake Number 4: No unique value proposition.**

The pain factor on this one is VERY HIGH because you're probably going to spend a boatload of money before you discover that you're failing.

To illustrate my point, let me take you back, back, back in time to the heyday of U.S. retailing giant Kmart. Here was a company that predated Target and Wal-Mart but lost the retail leadership position it enjoyed because it lacked a clear value proposition.

Kmart pioneered the idea of everyday low prices but could not keep up with Wal-Mart's dominant global supply chain technology. So it abandoned that idea and tried to sign on designers and celebrities to provide exclusive clothes and home products to compete with Target. This confused its core customers (seniors who wanted to find the latest in polyester) and loyal Target customers wouldn't be caught dead in a Kmart.

## Five most painful marketing mistakes



So, it spent a fortune on bigger, newer stores (remember Super Kmart?) that were Target-like but still selling goods that nobody wanted ... at prices higher than Wal-Mart.

The company's last gasp was to leverage the chain's iconic "blue light specials." In the 1990s, it created "Mr. Bluelight" (pictured). The company said, "Mr. Bluelight does not just represent a sale or clearance anymore. With Mr. Bluelight, we are making the shopping experience fun. We know there are more people than ever today who see shopping as an escape and a reward, and we are giving them the entertainment and excitement they seek."

What?? The best thing they had going for them was the blue-light clearance and now they are abandoning it for yet another value proposition: Kmart is FUN and EXCITING? My gentle readers, how's that for creating a clear value prop for consumers!!

So what can we learn from Kmart's demise? If you're starting a business, you must conduct upfront research to find your clear points of differentiation – what makes you UNIQUE in the marketplace? Why do customers should buy from you? The prospect's unmet need your company will satisfy?

Once you have that strategy, you need to stick to it with a laser-focus. If you have an established business, your unique value proposition should be already well-understood – at least your customers understand it or you probably would not be in business! Still, you need to constantly check your strategy, adjust, re-invent yourself and defend your position, like Wal-Mart.

I see many people getting into business who think they can take on existing businesses and simply convince prospects they have a better product or service. They announce to the world, "We might not be first, but we're going to be better." That might be true, but if you're late, and you have to battle well-established competitors, bring a bundle of cash baby! Was Kmart really going to challenge a Wal-Mart that was rolling in cash? Never! A well-managed company is going to defend its marketshare ferociously until you are broke. So, once you have your niche, DOMINATE it.

## Five most painful marketing mistakes

Another pitfall is having a great value proposition but not being able to explain it simply. Can you explain what you sell and why you sell it in 30 seconds? Sometimes that can be excruciatingly difficult, especially if it's a new category or a new technology that requires education. The biggest marketing successes come with simple, but powerful explanations of the product offering.

Here was Wal-Mart's value proposition: "Everyday low prices. Always." Compare that to Kmart's: "Home of the blue light special." Wal-Mart had a clear point of differentiation and could tell the story in four words, and later ONE word, "Always."

This economic recession is an excellent time to re-evaluate the relevance of your value proposition. Your customer needs are probably changing. Make sure you are innovating to stay aligned with the new unmet needs that are being created all the time

### **Deadly Mistake Number 5: Complacency**



Success does not breed success. Success breeds lethargy.

The people and companies I admire most are the ones who have had the guts to re-invent themselves  
IN THE MIDST OF SUCCESS.

Let's stick with Wal-Mart for a moment. About 10 years ago, there was a small Wal-Mart store a couple miles from my home. The parking lot was packed at almost any time of day. I was shocked when they announced they were building a new store five miles away and closing the original store. Of course the new store was a five times larger, with more parking, more services and yes, it was packed any time of day.

Think of this boldness -- would you close a store that was wildly successful if you didn't have to? Wal-Mart has the vision to constantly re-invent itself. It built a new store with thousands of new product offerings to put itself out of business! They didn't have a competitor brash enough to take themselves on so they attacked themselves.

My favorite example of re-invention is Apple and the breathtaking innovation occurring

## Five most painful marketing mistakes

with its iPod and iTunes format. The product was successful, but the real story is how it sustained that success by innovating so furiously that no competitor could keep up.

We can learn some valuable lessons from these examples and apply them to the everyday reality of the small business owner. How are you fighting complacency and the lethargy induced by success? This is the time to take a fine-tooth comb to your business processes and look for re-invention opportunities.

Here are some questions to help you kick-start your re-invention process. If you spend some time on the answers you will certainly develop insights to improve your competitive advantage.

1. How have your customer's needs changed during this economic downturn and what do you need to do to respond aggressively?
2. What are your industry's best practices in lean manufacturing, accounting and marketing? How fast can you adopt these practices and create new customer value?
3. If your competitor knew your company's biggest vulnerabilities, what would it do? What can you do to protect my flanks before this happens?
4. What new technology might disrupt your business model? How do you put it to use before somebody else does?
5. What is the rate of innovation in your marketplace? What would be the implication if you invested and doubled that rate?
6. Have you made any changes to the way you market and advertise to capitalize on cost-effective media channels?
7. Has technology and supply-chain efficiencies opened up new doors in global markets? Is there a new way to work with suppliers that can provide competitive advantage?
8. Do I have the right human skill sets in my company to compete today?
9. How do you measure success? Is it still the right measure?
10. Do you have a handle on which operations are making you the most profits? How has your product mix and profitability changed and how is it likely to change? How can it be re-invigorated?

## Five most painful marketing mistakes

Though difficult, a leader has no choice but to unseat complacency. You must find a way to move to that better idea or technology, even if it threatens your base business.

### About the author

*Mark Schaefer is Executive Director of Schaefer Marketing Solutions, a firm providing marketing strategy and comprehensive out-sourced marketing services ([www.businessesgrow.com](http://www.businessesgrow.com)). Mark has worked in more than 20 countries and developed successful growth strategies for both small businesses and Fortune 100 companies in the U.S., Europe and Asia. Mark is an award-winning business writer and lecturer and has five international patents for new product and process innovations. He is an adjunct professor of organizational management at Tusculum College.*



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