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Marketing by Assumption

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Where did the Edsel, the Chevette, and more recently the Aztec and Phaeton come from?

Certainly not the customer, but more likely from a committee who never spoke to a customer.

Success is built on a passionate pursuit to change the world. Failure, typically, is the result of the arrogance of making assumptions as to what customers want and then creating products for which there is no demand.

Who in their right mind would produce a car with a grill that looked like it was sucking a lemon? It turned out to be a lemon. Or a car that actually fell apart as you drove it? How about one of the ugliest cars ever – the Aztec? Or, a \$60,000+ SUV called the Phaeton with VW badges on the front and back?

Once company's starts to "market by assumption", decline will quickly follow. It usually happens when the management team gets lulled into a false sense of security as a result of unprecedented success. History indicates that this happens when management stops talking to customers and instead starts talking to each other, and in the process begins to believe their own publicity.

Business is about customers. Solving problems for customers are the underlying factors that create success in the first place. This is the realm of the passionate entrepreneur.

When the entrepreneurial spirit leaves the company or turns day-to-day management over to administrative bureaucratic executives, the seeds of decline have been planted.

Look at the rise of Starbuck's under its visionary founder and its rapid decline once he turned the business over to his management team. Now it's tagged as the "\$4 cup of coffee" company and is struggling to shake that image.

How about Delta's misguided launch of their **Song** discount airline. Was it Delta? Was it Song? What did the Song brand mean? It was an expensive foray into a segment where management had no passion for success. Song had a short life and a quick death trying to unsuccessfully compete with the passionate and entrepreneurially driven founder and soul brothers at Jet Blue Airways, and others.

Success is about treating your customers as appreciating assets and migrating with them into the future modifying your product offerings to meet their changing requirements. The only way to do that is to communicate with your customers and be innovative enough to delight them with solutions before they even realize that they have the need.

Did you need an iPhone?

Instead of developing new products that you "think" customers will want involve them in the new product development process so that the next generation is presold before it comes to market. Otherwise you are faced with having to try to sell something that you created, not the customer.

Who wanted a Phaeton? Obviously, not too many people based upon the few that were actually sold. That was an expensive lesson. Who asked customers if they wanted such a vehicle or if they would buy such a vehicle at that price?

Hopefully, now that we can communicate with customers more directly via the internet and we have more information about current trends, these kinds of marketing mistakes can be avoided for the future. However, that assumes management is attuned to the immense amount of information that gives us a new understanding of ourselves and the global marketplace we now live in.

For example, there are about 200 million face book users and growing, as well as over 300 million e-mailers. These collections of customers and their digital friendships create profiles of us that can lead to profitable insights.

Obviously, friends share interests and tend to behave alike. So if you want to keep up to date you have to be tuned into where prospective customers work, live and play, as these are valuable inputs for trends in their consumption patterns and product characteristics they are interested in.

If you are struggling to tap into the latest trends for your new product development planning let's start a dialogue.



An entrepreneur himself, Bob has spent most of his career involved with starting, growing and selling businesses. Having held managerial positions with IBM, Pfizer and Exxon, he draws upon extensive organizational experience with large and small companies in advising CEOs of growing firms. He is available online to answer questions from Chief Executive readers, as well as offer workshops, tips, books to read and a monthly online column about common issues facing CEOs of growing firms. Bob has been featured in USA TODAY for his work with Inc 500 firms and is associated with NYU's Stern Graduate School of business in their Center for Entrepreneurial Studies where he is a Venture Mentor, Marketing Strategist and Business Plan Reviewer.

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