

Why Most Product Launches Fail

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An area that is vital to most organization's success is the launch of new products. However, instead of getting the predicted initial sales, the results are often disappointing. Companies are left frustrated and wonder if their projections were realistic, if the product is as good as they thought or if its sales force is unskilled. Typically, it takes a year to see any upswing in revenue, and many companies are unsure why that ultimately happened.

The single cause of poor results early in a product's life can be explained in terms of Features, Advantages, and Benefits.

When a product is new, product marketing brings the sales force together to tell them about all the terrific Features and Advantages, or the bells and whistles, of the new item. Then, sales people go out and sell it. They may even bring product managers with them as the subject matter experts. When the sales people or product managers present the item to their customers, they typically present it the same way it was presented to them. They go into lots of detail about all the exciting Features and Advantages that the new product offers.

Neil Rackham in his book, *Spin Selling*, notes that the average number of Features and Advantages given when selling new products is more than three times the level given by the same person when selling existing products. This evidence suggests that the seller's attention is much more on the product than on their customers.

If you want your product launch to be successful, Rackham suggests that product marketing should concentrate on pointing out what the product does to solve the customer's problems and meet his needs. He recommends that after the initial presentation, your sales force should make a list of accounts where these products could exist, together with a list of questions they should ask when visiting those accounts.

By launching a product in terms of the problems it solves and how to probe for them, you shift attention away from the product and back to customer needs. **Rackham's research has shown that once you place the focus back on customer needs, you will average a 54% higher level of sales than typically seen in new product launches.**

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