

Avoid marketing pitfalls when offering high-tech products
Tri-City Herald, November 28, 1999

As an entrepreneur, you've worked hard to get your high-tech product or service out to market. But your customer base fails to materialize as expected. Yet the technology you're offering is clearly better than what's out there now. How can excellent technology fail to thrive in the marketplace? Too often, it's because of poorly executed marketing. Companies that offer high-tech goods or services should be aware of these tips:

Customers buy benefits, not features. Technically oriented entrepreneurs tend to fall in love with the design or engineering features they've spent years developing. But customers are more interested in benefits than features. LoAnn Ayers, manager of Business LINKS at Washington State University-Tri-Cities, recommends asking potential customers how they would use the product or service. "People want to know what it does more than what it is," she said. "Get to know what the customer values and what you have that they value -- that's what you're marketing."

Marketing is not the same as selling. Selling is defining and pushing the product, a short-term focus. Selling is only part of marketing. Marketing is based on understanding your product and capabilities from the customers' and competitors' views, defining pricing strategies, distributing your product to the target customers and reminding customers to buy again.

Reach your markets. The market doesn't come to you; you must understand, target and reach your markets. This is especially true for technology-based products and services, which often target emerging markets. For example, there may be a captive market where the new product will be the dominant force. The product or service should be compelling compared with the available or potential substitutes. Clearly define your product distribution channels, including strategies for overcoming barriers to entry.

Define what sets you apart. Business owners too often fool themselves into thinking that no one else does what they do, or that they are clearly the best. Businesses with this attitude are in for trouble, said Ayers. Take a good look at what your competitors do better -- lower costs, better customer relationships, better market data, better technical quality? Even if you offer something others don't, look at related services and products that are already out there. Once you've assessed the competition, define your distinctive competence. Ayers recommends asking yourself, "What do you have that the customer recognizes and values, that others cannot do and that opens the door to new opportunities?" Highlight this distinctive competence in your marketing. Reassess it frequently so you're not caught unaware by market changes.

Customers are more than buyers. There are a number of customer roles, especially in organizations, and not all of them are buyers. Initiators, for example, set up the first contact. Influencers affect purchasing decisions. Gatekeepers control the exchange of information, such as giving referrals. Decision makers have the power to say yes. Buyers make the purchase. Approvers authorize the expenditure. Users are people for whom your customer is working. Sometimes these roles are combined in one or more people. Ayers recommends packaging your message differently for each customer role.

A sale is not enough. One-time purchases typically are not enough to recover development costs and cultivate new products. Long-term relationships must be initiated, developed and nurtured. Keep records on clients and stay in touch with key customers. Ayers said that helping customers recognize your value is critical. One way to do this is by itemizing an estimate or invoice so they know how much they are getting for their money. "It gives them a sense that they are getting more than they paid for, and also educates them on what goes on behind the scenes to get the job done," she said.

Customers can go elsewhere. It is easy to lose customers through sloppiness or neglect. A dissatisfied customer tells 10 to 20 others, according to Ayers. Get customer feedback about your current services and how you could do better. Do periodic reality checks to determine whether your current prices are in line with the perceived value of your products and services.