Product Success and Failures

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Upfront accurate market research properly incorporated into the product design and launch tactics is the central key to a long-term successful product contribution.

Approximately 80 percent of new product innovation fails, highlighting the challenge that coatings, paints, adhesives, sealants and other specialty chemicals industry players face in innovating in today's competitive market landscape. Failed innovation can severely undermine profits and brand reputations. Conversely, the rewards for successful innovation are substantial.

Harvard Business School studies and mainstream magazines such as *Business Week*, have discovered that there's a wide variety of reasons why new products fail. These reasons include:

- Under-investing in sales & marketing and / or not inspiring channel partners;
- Not addressing customers' needs (e.g., having an "engineering focus" rather than a market focus);
- Poorly defining the target market and/or poorly positioning the product;
- Not clearly communicating the products benefits;
- Bringing to market products that require ancillary products or services;
- Introducing a product in the wrong part of the adoption curve;
- Extending the brand too far beyond its established equities.

Other reasons include creating a disconnect between promise and delivery:

- High level executive push of an idea that does not fit the targeted market.
- Overestimated market size.
- Ineffective promotion, including use message, which may have used misleading or confusing marketing message about the product, its features or its use.
- Not understanding the target market segment and the branding process that would provide the most value for that segment.
- Incorrectly priced—too high and too low.
- Excessive research and/or product development costs.
- Underestimating or not correctly understanding competitive activity or retaliatory response.
- Poor entry timing.
- Misleading market research that did not accurately reflect the actual consumer's behavior for the targeted segment.
- Conducted marketing research and ignored those findings.
- Key channel partners were not involved, informed, or both.
- Lower than anticipated margins.

Examples of product failures

The following is an abbreviated list of product failures that may provide insight that will help to identify product and brand success factors:

Automotive

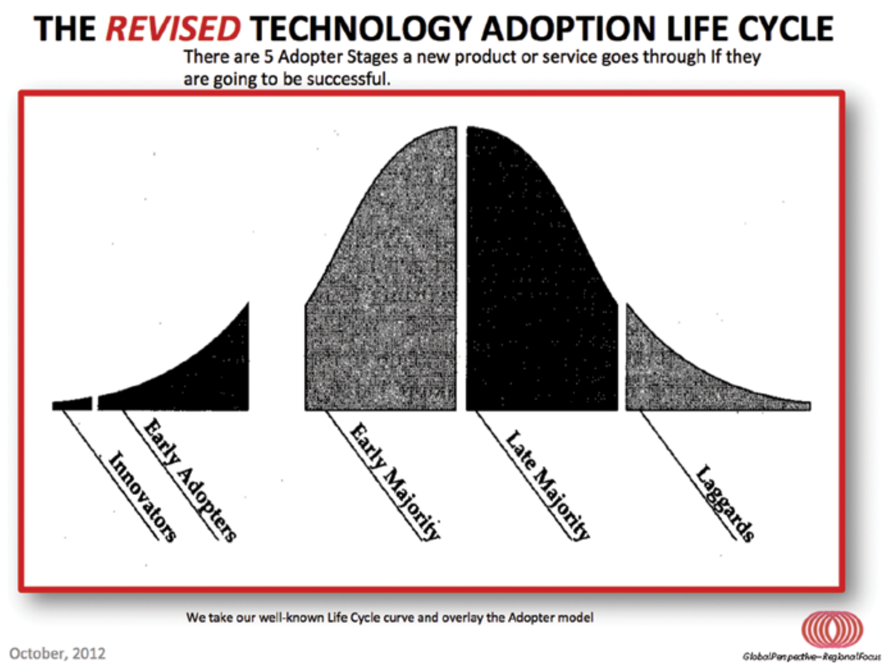
- Cadillac Cimarron (miss-judged market acceptance for a small Cadillac)
- Pontiac Fiero
- Chevrolet Corvair (Ralph Nader – "Unsafe at Any Speed" – book)
- Ford Edsel
- The DeLorean
- Crosley
- The Tucker
- The Gremlin, the Javelin and a complete line of other models by American Motors
- Mazda's Wankel rotary engine
- Firestone 500 tire
- Goodyear tires used on the Ford Explorer

Entertainment

- World Football League
- World League of American Football
- United States Football League
- "Of God's and Generals," "Heavens Gate," "Water World," "The Postman" and other movies—with a disproportionately high number produced by Kevin Costner.

Photographic and video

- Polaroid instant home movies
- SX-70 (Polaroid instant camera)
- RCA Computers (Spectra-70)
- Video-disc players
- DIVX variant on DVD



Other products

- DuPont's CORFAM —synthetic leather
- Reaction extrusion technique in powder coating production
- Mattel's Aquarius
- Timex's Sinclair
- Clairol's Touch of Yogurt Shampoo (1979)
- Rely tampons
- Relax-a-cizor—vibrating chair
- Louisiana World Exposition—and its gondola.

Using these potential causes of a product or brand failure may help to avoid committing those same errors. Learning from these "lessons" can be beneficial to avoid some of these pitfalls and increase the chance for success when you launch that next product or brand.

Launch is always a good term to use when considering bringing forth a new product. Consider the oft-used comparison of a product launch to a spaceship rocket launch. If unchecked, we are off by one degree when we launch a rocket to Mars, we will miss it by over a million miles.

However, our experience strongly indicates **upfront accurate market research** properly incorporated into the product design and launch tactics is the central key to a long-term successful product contribution. Without opening into a long-drawn-out discussion of which type of market research is better for uncovering current and unmet customer needs, it is sufficient to say that a well-conceived upfront market research can go a long way in addressing these known dynamics.

So where does that leave us? There are product introduction challenges that can be partially addressed through good old market research and other factors ranging from fickle consumers through winning / losing streaks. However, another factor exists . . . . . , and that's corporate culture.

Business Week observed, that organizations deep-rooted in Six Sigma and other efficiency frameworks find the messy nature of innovation, "unnatural." Many consider innovation an initiative rather than a core competency. They don't foster a culture of candor, let alone risk taking. **Product flops** are just that – failures – and have no redeeming value because wisdom loops haven't been formalized. The middle manager also includes another stock character: the risk adverse senior executive who never met a decision that couldn't be avoided.

The innovator must have a proactive role. If innovators don't push back hard to ask, if not answer, the difficult questions regarding why the product might fail then they share some of the fault if introduction does fail. **Innovation**, like branding, is integrated: it requires both a great product idea and the market validation of that idea.

The one of the most important elements of this Success/Failure consideration, CHEMARK has been left out intentionally . . . the definition of Success and Failure. ***CW***