



# Why Your New Product Can Fail To Sell: The Top Ten Pitfalls And How to Avoid Them

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# INTRODUCTORY REMARKS

The environment I've spent my entire career within is business-to-business, solution sales. Such exposure includes building a business that provides all manner of software, advice, tools and programmes that help and support people selling in this arena.

Several clients have asked me to condense such experience; this eBook aims to do so in one specific area of proficiency.

My insight extends from sub-ten employee micro-businesses all the way through to FTSE100 corporations. I've driven improvements inside a wide range of activities from manufacturing, through wholesale-distribution to high-end technology. Every successful company I've encountered has actively striven to introduce new approaches, innovation and concepts into the market place. I've noted with empathetic frustration how such new products rarely fulfil the sales aspirations that the initial launch fanfare predicted. Here, I set out to redress this imbalance.

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# THE PITFALLS

- 1** Not Grasping The Point
- 2** Unclear Ambition
- 3** No Anchor
- 4** Accepting Neophobes
- 5** Open Doors Unknocked
- 6** Sales Substitution
- 7** Incentives Hinder Motivation
- 8** Absent Competitor Intel
- 9** Blank Gap Analysis
- 10** Big Bang Release
- Bonus** Ignoring The Buyer's Perspective

# Pitfall 1: Not Grasping The Point

*establish and communicate what creates an urgency to buy your new product*

## IT'S NOT ALL ABOUT YOU

Think about your new product. What's the first thing that comes to mind? When dealing with products frustratingly stalled after launch, I've noted one common trait in salesteams. They frame their immediate response in terms of what it means to them personally. Examples I've encountered include; a hand-tool manufacturer that developed their own padlock range so they could "stop using a competitor as a supplier", a building management systems vendor who introduced a 'variable speed drive' primarily to "increase project till-ring" and an email management service add a new anti-malware module to "justify a package price rise".

Success stays elusive when considering why potential customers will be better off from a new product is not central to that team's selling mindset. Where such a benefit (or value) can be expressed so as to create a compulsion to act, then you have found the desired main point.

Two constituencies can help guide the sales department here; internal and external.

Find everyone involved in the R&D process. Ask their opinion on what the thinking is behind your new product, so as to identify why they think a customer would buy it. Your external option is open where current clients have gained pre-launch exposure to development. Two questions that score here are simply, "what do you like about it?" and "what's now different?"

## MAIN BUYING TRIGGERS

One of the simplest ways of then getting this message across to a salesteam is to plot where your product sits inside a triangle, where at each tip, one of the three buying triggers dominate:

### PRIMARY ACTION

- ★ Hold client value uppermost in your mind
- ★ Understand from where urgency to buy emanates
- ★ Talk to all parties involved in development
- ★ Know the principle buying triggers

**Form** Think emotions, *aesthetic evaluation* deals with looks, sounds or feelings, and reflections of desirable kudos from association that can all create compelling stimuli to buy.

**Function** The purpose the offering serves is the focus here. The conditions under which the item is used often govern the influence of its *functional suitability*.

**Finance** The *economic/value considerations* of the product. Either or both of how much it costs or how much it makes/saves, with all the consequent implications.

# Pitfall 2: Unclear Ambition

*concisely set out what success should look and feel like*

## TAKE AIM

What are you aiming for? Announcing the kind of sales impact your new product should muster before you commence is vital. Yet I've seen many salesteams endure confusion. Either they have no overall target figure with cascading breakdowns for what new sales should result, or the numbers are imposed from outside and appear to have little justification or reality.

### IDENTIFY PURPOSE

- ★ Understand what overall success is required
- ★ Create image of how success can be recognised
- ★ Run through all metrics that will contribute
- ★ Links these to individual salesperson expectations

A simple threefold process pinpoints who should be selling what and to whom. This has evolved from a widely recognised strategic management framework which recommends that successful business planning flows from the three sequential disciplines of Strategy, Planning and Implementation.

## STAKE YOUR ASPIRATION

The foundation is to consider two horizons; where you would want to be in twelve month's (or any other relevant period of) time, and what needs to happen for you to judge the enterprise a success (often referred to as Critical Success Factors). From this construct a straightforward top-line statement of intent.

Next, this should be broken down into component metrics. These will patently highlight stark financials, as well as other key achievements: What position in the market will you occupy? How many customers will you have? Which markets will you penetrate? What is your projected profit contribution? What will be the effect on your firm's reputation?

Finally, how these become the responsibility of individual salespeople needs to be agreed. It can also encourage take-up to link in personal admissions. These are such as when someone earns promotion as a result, or displaces an incumbent competitor to achieve top commissions.

# Pitfall 3: No Anchor

*stand your strides forward on the shoulders of established products*

## WHERE'S THE IMPROVEMENT

A detailed appreciation of your new product is more likely to follow when it can be anchored onto one that is already known to the prospect. This existing product will be enhanced by your new one in some way. It is the association of the merits of this known offering built upon by your further capability that creates both a sound reason for its existence and predicates the successful selling of it

The choice of anchor is critical. Ideally, you'd want to ride on the proven characteristics of a winning product to place your wares in the glow of its goodwill. Whilst it helps if your chosen anchor is a product within your existing portfolio, in such a case there must be a specific enhancement brought to bear. An irritatingly common pitch I've heard repeatedly fail is, "you need to upgrade else you'll be out-of-date".

Where you might be deliberately targeting a gap in your competitor make-up, it's often productive to anchor on more than one product. This can paint the picture of an attractive hybrid, made up of the best elements of competing wares or wider highlight your market coverage and expertise. This identikit approach similarly allows you to wallow in the assumed positives of the products that you are building upon.

## SUCCESSFULLY PIGGYBACK

- ★ How are you improving on what's already available?
- ★ Create statements that describe your product in terms of at least one other
- ★ Have several such images at the ready for differing scenarios
- ★ Don't rely on being solely cheaper or functionally richer

## APPROPRIATE SELECTION

It pays to have a number of anchoring options. It should be possible to generate alternative images dependent upon whether your prospect is more focused on quality, value or service in the face of specific competition.

In addition, two key points I've noticed with anchor-style pitches. It is not usually enough to simply say that you are the same yet less expensive than another desirable good. Typically another reason to consider is required. And the product with most features rarely wins, so don't bombard the prospect with an anchor for each one, instead focus on the stand-out one(s).

# Pitfall 4: Accepting Neophobia

*having a plan for when people instinctively, and repeatedly, say no*

## THE SHOCK OF THE NEW

Many prospects exhibit a continued predisposition to countenance anything new, let alone be one of the first to buy. It is essential that a plan is put in place beforehand to manage such situations. If this is not considered, then what happens is that a salesperson becomes frustrated when the initial pitch isn't received with the enthusiasm they expect, and if a similar reaction befalls the second attempt, there is rarely a third.

The universally acknowledged value of persistence in successful selling is heightened when developing new demand. So it is no surprise to learn that you need to re-present your arguments in the face of neophobes. Recent work I completed with an engineering supplies firm found that it took an average of seven calls before real traction for their newest product.

It is also useful to recognise who is likely to fall into such category. Several pointers can betray this trait, chief among them are any previous delaying patterns evident when you've discussed new offerings in the past. Additional signals include the propensity to maintain the status quo along with general decision-averse leanings, the absence of other new products or innovations inside their company and any unsavoury experiences when embracing new concepts previously.

Your choice of words can make a difference too. Mentioning 'new' can often suggest 'change' negatively, whereas 'innovative' may be more desirable. You may benefit from promoting a belief that what you're proposing is an evolution, rather than revolution.

## RE-PRESENTATION PLAN

From monthly calls to several wholesale distributor accounts, to one-off big-ticket sales, multiple iterations of your pitch may be necessary.

Having many stages of questions with resultant activities works. Develop a series of escalating tasks from which you can provide compelling evidence to accept your new offering. Ensure these involve the prospect documenting findings, developing testimonials and speak to others wherever possible.

### CREATE RE-VISIT PLAN

- ★ Acknowledge not everyone will say yes first-time-round
- ★ Recognise those buyers likely to need serious nurturing
- ★ Plan for a series of calls
- ★ Work out how to escalate your project over several visits

# Pitfall 5: Open Doors Unknocked

*selecting people at the outset who are more likely to quickly say yes*

## CREST OF THE WAVE

Within your target market, there's fortunately a significant proportion that actively seek to stay ahead of the herd. Roughly one of every six people across the entire population are Early Adopters. Such people enthusiastically embrace all things new. They are visionaries who like to try innovation. They revel in tackling the cutting edge, and usually the glory that accompanies success.

You can recognise them from a number of giveaways. Their inherent attitude can be judged even by seemingly innocuous items such as those lying on their desk. When you spot something clearly bought before a bandwagon grew, delve into why they took it. A visible, strong R&D policy within their firm also bodes well. A robust and respected internal standing tends to apply, with them often seen as go-to people to make things happen, regardless of seniority.

### FIND EAGER BUYERS

- ★ Learn to identify the early adopters
- ★ Pinpoint the ~15% of your target market that like all things 'new'
- ★ Think of ways to involve them in the development or launch process
- ★ Try and incentivise on non-price grounds

## TAILORED PROPOSITION

They're also likely to be fascinated with the detail of the story of your product's evolution, lapping up eureka moments and development tussles to such an extent that they could also be involved pre-launch or at the very least, willingly play a role in beta-testing. Involving such people around the excitement of launch can provide an extremely vocal and supportive reference community.

Whilst you may wish to reflect the commitment shown in this scenario in your price, to generally accelerate the initial purchase decision by discount alone is not necessarily the way ahead. Two considerations exist. They'd probably buy with such incentive absent. I'd recommend that if you are to dilute margin, then you do it in a way other than a price cut. Think about what drives these people and would help them in their world. Also, a frequent complaint I've encountered to avoid is when subsequent post-launch offers alienate the initial buyers by being more attractive than the launch offer.

# Pitfall 6: Sales Substitution

*creating an environment where one set of objectives doesn't sublimate another*

## CANNIBALISATION

Of all the reasons causing sluggish new product sales, this is perhaps the most destructive. It is where one particular offering is promoted in preference to, and at the expense of, another. There are two different ways in which this is evident.

When faced with the learning curve involved from understanding the latest new product through to refining the pitch, the reaction of individual salespeople can vary enormously. For some, getting to grips with what's required represents an undesirable leap into the unknown, so they prefer to stay inside the comfort zone that only features 'old' products.

For others, they view having to trailblaze as disruptive.

They expect that the hit-rate will be lower than for their less-recently released products and do not intend to waste selling time on the greater proportion of potentially losing pitches. They also believe that it is best to wait before committing energy to the new product, as they perceive it'll be easier to sell once customers are regularly won and, most damagingly, they feel management will inevitably move onto a different priority soon, and as long as they do well enough overall, they'll avoid sanction. In both cases, no sales growth occurs, as selling the new product gets passed over in favour of pursuing existing ones.

At the other end of the spectrum, there are those that buy-in to merits of the new offering. They chase initial sales with vigour. The problem that they experience though, is unwittingly doing so at the expense of the elder products' momentum.

## SELL EVERYTHING

- ★ Acknowledge how overall sales could remain static
- ★ Encourage the cautious to engage with the new product
- ★ Focus the enthusiastic on maintaining previous sales
- ★ Provide mechanisms to achieve desired balance in sales-mix

They place all their efforts into gaining sales for the new product, yet they also produce zero sales growth. The new product's sales gained merely fill the gap left by the drop in traditional sales due to less concentration on them.

## PLAN AROUND

Explicit recognition that this state of disequilibrium can arise is in itself a giant stride towards eliminating its debilitating effects.

# Pitfall 7: Incentives Hinder Motivation

*maintaining the balance between carrot and stick that enables sales growth*

## GRAB ATTENTION

One key danger when setting up your new product reward scheme is that it is not seen as worthwhile. Compared to the effort that yields traditional commissions and the like, salespeople can often wonder why they should try to sell the latest product offering, when they can make more money with older, more familiar and more proven, products. If there is a lack of perceived reward for new ones then they will of course go unsold.

Migrating towards the other end of the scale is rarer I find, but it can happen that the incentive is seen as so attractive, salespeople can make more for themselves when in effect selling less. A balance must be struck so that reduced performance overall is not compensated for. The most successful strategy for this I've seen is with combinations of accelerators and qualifying thresholds. This can for instance, stipulate a certain minimum level or mix of total sales and increase new product rewards dependent upon factors such as breaching competitor arenas, avoiding discount and penetrating brand new accounts.

## CURRENT PLAN IMPACT

It is not recommended to significantly alter any annual bonus structure already in place. Resentment and upheaval can outweigh any benefit you may have hoped to gain. A new product surge part-way through a formal commission period means invoking a separate scale. All ramifications (including contractual) for the current plan must be considered carefully.

This often throws up the further issue of where the money comes from. What funds can you plunder? Can you agree with Finance to dedicate a specific margin percentage to your incentives? Teams often resort to non-financial elements, but it's notoriously tricky to pick such prizes that hold universal appeal.

Finally, there will be people that may well be behind their quota demands. They can still be effective and can benefit from a style that keeps prizes open to all, whilst still providing disincentives for non-achievement.

## MAINTAIN BALANCE

- ★ How can rewards best be positioned as worthwhile?
- ★ Underperformance must be disincentivised
- ★ All possible impacts on the current bonus plan must be considered
- ★ Secure funds early and ensure any non-financial prizes are open to all

# Pitfall 8: Inaccurate Competitor Intel

*ability to instantly share their tactics and react to their behaviour*

## EARLY OBSERVATIONS

I've noted that the type of launch deployed can shape the way competitors respond to it. Taking the two extremes of a quiet guerrilla-style campaign or a widely trumpeted arrival, preparation can be undertaken as follows. With the former, you'll likely need to be ready for knee-jerk reactions that mainly take the form of discounting and muck-spreading. With the latter, more considered approaches arise, typically in the form of promoting their more proven market experience and sometimes, delaying tactics like urging prospects to wait before fully comparing what you've just released with their own, supposedly 'imminent', latest product launch.

I've attended numerous team sales meetings right after a new product goes live, and invariably a session discussing it gives way to gossip about what the competition is doing in light of your fresh arrival. Their tactics are often dismissed as irrelevant, and the subject misguidedly hangs in the air until at least the next sales meeting.

## POSITIVE ACTION

Using competitor movements to your advantage is an excellent way of maintaining momentum for your new product within a dispersed sales team. Primarily you should create a process where people in the field are regularly spoken with and all knowledge they've picked up (mainly from clients) about competition pooled.

What you do with such nuggets is vital. I've found it helps to think in terms of Three Cs:

**Circumstance** Ensure you have fully and accurately documented what each particular reaction is, right down to the very forms of words competitors use.

**Consequence** What are they trying to achieve from this posturing, and what do you think could possibly occur as a result?

**Counter** Consider as many ways as you can of overcoming the perceived threat. Preferably, you tap in to your collective wisdom here so that nothing is missed.

## KNOW YOUR ENEMY

- ★ Plan for defending price pressure and disinformation
- ★ Persuade buyers they must only consider what's available now
- ★ Instigate a system for capturing reaction as it happens
- ★ Understand the '3 Cs' of competitor intel

# Pitfall 9: Blank Gap Analysis

*pinpoint where take-up can be most readily accommodated*

## BUYING PATTERNS

Despite the differences of the two main types of solution sell relationship (once-off vs regular supply) both can be aided through conducting what is commonly referred to as 'white space' or 'gap' analysis. This aims to uncover where the holes in someone's current spending behaviour lie that are the easiest for you to fill, so increasing your share of that client's overall spend.

### RELATED OPPORTUNITY

- ★ Where can you increase your share of a customer's spend?
- ★ What products are not being bought that should be?
- ★ Make your data show you the opportunities quickly
- ★ Prepare your Up-, Link-, Switch- & Cross-Sell pitches

From office supplies to oil-drilling simulation software, in virtually every arena I've seen new sales secured that vendors never imagined existed from examining buying patterns. Whether on a forensic or cursory level, for individual line item or overall product groupings, knowing which currently suffer little, perhaps even zero, spend creates a near unmissable opportunity, especially when what you are proposing is a product associated with that gap.

The hardest part is getting the data. The more products you sell, the more likely some kind of data mining option exists where software is used to interrogate your sales ledger. Yet as with any such project, success can prove elusive through inadequate ownership, raw data, screen simplicity and timeliness. If your portfolio (or elements of it) is mentally manageable then committing to manually identify gaps must bear in mind both how long it will take first-time and how future iterations must be sped up.

## PLUGGING HOLES

The prime way of filling gaps is by stressing related products. This usually needs to consider whether the gap masks sales elsewhere, where either you or your competition are already supplying a viable alternative. Preventing cannibalisation of your other orders is essential. The classic approach is to work out all the potential Up-, Link-, Switch- and Cross-sells for your gap relative to your new product. In my experience the two buyers tend to go for with least resistance are link sells where they increase the impact of the one of the two products that they're already buying, and switch sells where they buy for cheaper (and you hopefully increase margin).

# Pitfall 10: Big Bang Release

*avoid introducing every salesperson at the same time to the new product*

## UNDERSTAND PRESSURE

Pressure to launch can get so intense that it creates conditions for sales failure. It must be managed and mitigated against. I've felt debilitating tension from having to recoup vast R&D outlay, justify warehouses worth of stock and pay for huge marketing expenditure. In addition, there's your marketplace commitment to keep up with competitors and meet communicated deadlines. Anything you as a salesperson can do to remove the effect of these forces will help you avoid mishap.

### BUILD SUCCESS

- ★ Reduce launch urgency pressure as much as possible
- ★ Manage-in less complexity throughout the process
- ★ Plan just as much for the immediate launch aftermath
- ★ Conduct pre-launch selling wherever you can

In my experience relying on a specific session with the entire salesforce to formerly introduce, discuss and train on a product that is brand new to them all, typically with a supporting cast of as many non-selling players as possible, neither provides the desired economies of scope nor guarantees sales success. Three consequences of this must not be permitted to prevail.

## ALLEVIATE PRESSURE

The inherent complexity must be reduced. This manifests itself in many ways. A major problem for those in the field is often the sheer deluge of untested information. It can overwhelm and dent productivity. Can you instead focus on a single strand, or pinpoint the number one message and impart that to the team? A similar constraint hurts sales managers. With everyone let loose at once, they too can succumb to the pressures of not knowing the optimum way to support their charges when selling the new product.

Ensuring momentum does not fade is another must. All too frequently, a launch can detract attention from ongoing development. There are always teething troubles, evolutions to the proposition and lessons to pass around. Often there's neither resource nor plans in place to allow these to benefit rather than derail the launch effort. A launch process amounting to little more than a once-off hit fails to provide vital fuel to any new product hopes.

Conducting pre-launch sales activity means you can truly hit the deck running. Test Marketing as a discipline is something that when adapted by salesteams guarantees extra new product sales. Soft Launches, Parallel Running and more recently Invite Betas are all similar concepts. Can you try out first in one sector, with selected territories, or even a single salesperson?

# Bonus Pitfall: Ignoring The Buyer's Perspective

*how an outsourcing procurement expert feels new pitch presentations could be improved*

## WHY I'M THERE

I'm in your meeting because I'm interested or at least intrigued about your launch. You're taking up my valuable time, but as a professional I am obliged to explore new opportunities, innovations or market developments. I should be looking to add value, so rather than features, I'm only interested in what contributions it can bring to my company. Will it:

- i. save me money
- ii. enhance my quality or reliability
- iii. exceed my customer expectations
- iv. increase my operating margins
- v. generate efficiency savings
- vi. improve effectiveness
- vii. speed up my process
- viii. open new markets or customers
- ix. enhance my PR image
- x. reduce my wastage
- xi. require fair CapEx/OpEx commitment
- xii. show solid total costs of ownership
- xiii. need apt inventory commitments
- xiv. minimise maintenance/support issues

Highlight the value added and illustrate how it fits into your current portfolio of products. I will be uneasy if there is no clear product strategy, or no clear corporate strategy.

Early Customer Involvement is a powerful tool to gain my buy-in. If I feel I am part of an exciting new product development, I am far more likely to either buy or recommend your latest services.

## CROSSING THE TABLE

- ★ What's the true opportunity, market development or innovation
- ★ Where in the 14 contributing areas can you add value
- ★ Know your strategy
- ★ Empathise with personal buying processes and constraints

Remember, I am probably part of other Procurement and Supply Chain networks, and if it's not quite right for me, I may well be able to suggest other possible beneficiaries. You can always ask.

## PROCESS CONTEXT

And remember, if I've invited you to present, it does not necessarily mean I am ready to buy now. I too have targets, budgets and business cases, so a 'no' now is not necessarily a 'no' for good, and be careful not to bug me with a protracted close. Pride may also prevent me from stating that whilst I may have a large sign-off for normal purchases, for new products there may be considerably more stakeholders with whom I must talk. Give me time to consult with these, without forcing the issue.