

Boston Business Journal

September 24-30, 2004 Vol. 24. No. 34

10 reasons most service-marketing programs go under

Most companies have experienced subpar performance, or outright failure, after launching service-marketing efforts. Unfortunately, some companies have multiple experiences in this area, while others struggle with mediocre results. Every company and market has its own unique challenges and issues, but the formula for success is consistent. Marketing initiatives for high-tech, low-tech or no-tech services have more in common than not. Contributing factors to past, or future, failures can be attributed to any of the following.

1. Unrealistic expectations. Growing revenue, increased margins, a gain in market share, reduced cancellations and improved customer satisfaction are all realistic expectations of a successful service-marketing program.

Achieving one, maybe two, even three of these goals may be possible. Success in all of these areas is challenging, if not impossible, when launching a new program.

2. Strategy by committee. All too often, programs are launched with flawed strategies. Most service-marketing champions find themselves compromising or appeasing representatives from sales, product marketing, operations and finance.

Everyone agrees marketing service is a great idea, as long as it doesn't have any chance of negatively affecting their area.

3. Rush to market. Unlike a new product launch that may require a major investment in R&D or capital, most service-marketing strategies can be tested with a limited investment. Implementing a well-thought-out and managed pilot project almost always insures long term success. The pilot project allows for important adjustments to be made in the offering and sales strategy, before a costly rollout.

4. Too many part-time players. It's unrealistic to think that you can ask your sales or delivery staff to support a new service program when they are being pressured to make their numbers each quarter. Introducing and nurturing a service-marketing strategy takes a dedicated and focused effort.

5. Lack of patience. Like a double reverse, a service-marketing program may take time to develop, but when it works, it's a big gainer.

Far too often, companies panic when sales numbers don't reach their forecast. Selling service is a relationship sell. Building trust with prospects takes time and effort.

6. Sabotage. Typically, there are important individuals, or even whole departments, that will not support the new initiative. They fear if the program is a success it will negatively affect their situation or create stress within their organization. These situations can't be overlooked. These parties must be

"enlightened" on how the success of the program is very important to them and the company.

7. Inadequate sales training. Launching a new service-marketing program always requires additional sales training. Everyone involved with the program must be versed on the marketing strategy, sales strategy and implementation plan.

8. Mediocre offering. Trying to market what other companies are already selling is a difficult task. Trying to repackage existing offerings, or mirror a competitor, will usually result in failure.

9. Poor execution. Common mistakes in this regard include improperly supervised salespeople, no feedback and correction mechanism, systems not prepared to process orders, overlooking the role of field employees and lack of coordination between other organizations within the company.

10. Unwilling to seek help. Reluctance to recognize that marketing service is different from marketing products may be the most common mistake. Companies continue to try to leverage their product marketing resources, with little success. If your company doesn't have individuals with experience in implementing service-marketing initiatives, go out and get them.

JOE SIDEROWICZ is president of AfterMarket Consulting Group in Acton, MA.

Reprinted for web use with permission from the *Boston Business Journal*. ©2004, all rights reserved.
Reprinted by Scoop ReprintSource 1-800-767-3263

AfterMarket Consulting Group
978-929-9790
aftermarketgroup@aol.com