



Discover the **Art of Value**
Driven Marketing that is build
with purpose and longevity

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Introduction

There are many aspects to running businesses, and products are the most important of them. Unless and until you have a great product, your business is a nonstarter.

But then even businesses with great products can flounder. So, how can you ensure that you build great products that run businesses? How can you make sure that your product attracts the market's attention?

Here is what you must know about building products for your business.

Chapter 1:

The Five Factors for Building Successful Products

Summary

Building great products need 5 essential factors.

The Five Factors for Building Successful Products

Look around you and you will see a number of successful products. An iPod, a Sony Vaio laptop, Colgate toothpaste, Coca Cola, Parker pens... the average consumer will use hundreds of branded products in his lifetime. What is it that you like about your possessions? You like your Whirlpool washing machine and the Xerox copier because they work well and just go on and on without breaking down. You adore your Volkswagen Beetle for its sleek looks. And you can't do without Kellogg's for breakfast.

Here then, are the 5 vital factors needed for a successful product:

1. Create something that people want
2. Design and build it with high quality
3. Price it right
4. Keep the investment low
5. Backup with after sales service.

Gianfranco Zaccai, of the design group Continuum that developed the Adidas intelligent shoe, says a hit product should be “technologically possible to produce, delight the consumer and be profitable”.

You must research the market well and listen to what people are asking for. Your product must have an USP – Unique Selling Proposition. Just as Olay stood for ‘younger looking skin’ and Domino's Pizza vouched for delivery in ‘30 minutes or it's free’, your product also has to send a clear message.

Good quality can be ensured by meticulous design, extensive testing and quality-control procedures. Outsourcing to cut costs can sometimes backfire and result in expensive recalls. Keep engineering and manufacturing as close together as possible.

Are you targeting the financial elite of society or the broader base of the pyramid? Evaluate your product manufacturing cost, the advertising budget and the market conditions carefully before fixing the price tag.

Too high will price you out and too low will raise questions of your quality.

Start small by delivering to a ready predetermined market. Keep inventory low by building to order. Standardize your assembly line and parts and buy in bulk to gain discounted prices. Keep the overheads minimal.

Just as you started out by listening to people, you have to end by continuing to listen. After sales service and warranty periods are great opportunities to gain feedback on your product and to improve them further or just discontinue them if they are floundering.

All these factors play equally important roles in the development, manufacturing and marketing a successful product. Remember every great product and company started out just as an entrepreneur's dream. So your dream today may well be tomorrow's Ford Model-T, Apple Computer or Google!

Chapter 2:

The Five Things You Mustn't Do

Summary

Here are the things that are taboo when you are attempting to build a successful product to run your business.

The Five Things You Mustn't Do

"I've learned that mistakes can often be as good a teacher as success."

- Jack Welch

There are generally 5 reasons why products fail. Even the largest manufacturing companies often make these mistakes. Watching out for these basic pitfalls can protect you from low sales or even bankruptcy.

1. **Skimping on quality** – Customers have vast choices in the market today. News of bad quality spreads virally through word of mouth and internet forums and before you know it, even your faithful clientele will drop your product like a hot brick and go for your competitor's product. Defective parts have caused expensive recalls for Sony, Toyota, Nokia and several other giants in the past.
2. **Creating a product that's not unique** – If your product does not specify a clear-cut need in the market, you will be competing against thousands of clones with a dismal chance of success. Specialized niche areas are easier to monopolize. To succeed in a broader arena, you have to equip your product with some 'killer' features. Market fads change rapidly, so you have to keep innovating.
3. **Pricing too high or too low** – Pricing and market base is like a pyramid. The more costly your product, the fewer your customers. If you position yourself as a premium brand, you have to justify the pedigree of your product. Value your brand carefully before launching it. Dropping the cost later or hiking it will cheapen your image or lose customers to more reasonably priced competitors.
4. **Lack of promotion** – You throw a party and wait at the door. No one comes. Oh, you forgot to send the invites! Advertising is vital to

marketing. Plan an efficient campaign and choose your media. Newspaper ads, websites, television commercials, signage, posters and door-to-door promotion can ensure your brand's presence in the consumer's mind. Even a low budget ad spend can achieve the desired results if innovatively planned.

Lack of guarantees and support – After sales service and warranty periods not only assure a customer that a company cares, but also provide a window to listen to valuable feedback on how to improve a product. Consumers of today are aware of their rights and will expect a high degree of backup. The most successful companies get a huge chunk of their profits from repeat customers, and this is achieved only through good after sales support.

Chapter 3:

In-Demand Products

Summary

One of the main rules of building products with a commercial viewpoint is to build products that are in demand.

In-Demand Products

One of the most intelligent ways to have a product that your market wants is to build a product that's already in demand. These are the products that the market is looking for. When you deal with such products, you can be sure you will have at least an initial sale of products because there is already a demand. However, it is extremely important that the quality of your product is great, because there are going to be various competitors existing in the market and in order to make your presence felt over the competition in a hungry niche, you have to be good.

This is the most essential factor when you want to product and market products that are in demand. You have to be innovative in some way or the other and spell great utility for the consumer.

However, the benefit here is that your product will be readily lapped up because people are looking for something similar. There is also the benefit that you won't have to advertise much. Once the initial awareness about the existence of your product is created, people will come to you themselves.

Actually, it is even possible for you to have a good market for such products even if you don't make them too much out of the ordinary. You could just have one or two important functions that the people are looking for and your product will work. Think of software that is supposed to do just one thing. Or think about an electronic product that has to serve a special purpose. In fact, think of one of the greatest inventions of all times – the incandescent bulb. What does it do other than emit light? But even so, no one can do without getting this product.

So, when you are manufacturing a product that's already in great demand, there's no need to pump it with features which will actually detract from its main purpose. Keep it simple and you will be able to attract people to your business.

Chapter 4:

Out-of-Demand Products – Is There a Market for Them?

Summary

Do you always have to listen to the market diktats if you have to be a good businessperson? Couldn't you create a new product and a business to go along with it?

Out-of-Demand Products – Is There a Market for Them?

First off, what are out-of-demand products? This can mean a lot of things:-

- Products that people don't know about yet, like new inventions,
- Products that exist but people don't buy because they don't know how they can be useful or
- Products that were popular once but aren't now.

Barring the third category, the other two are actually simple to market. New inventions are the simplest to market because you can always bank on the curiosity value that they have. If you develop a new software application, for instance, a flashy sales page and a strong marketing campaign on the Internet can go a long way in making the product popular, which will ensure sales of the product. From there on, like with everything else, it depends on the quality of the product and whether your product really delivers what it promises to.

The same applies to products that people aren't yet well-aware of. If you start off an advertisement campaign that highlights all the prominent features of the product, it could go a long way in making the product popular. When people can see what the product can do, they will feel better about buying them.

However, it is quite difficult to sell products that have fallen out of favor with the market. It is best to avoid such products, because even if you will be able to sell them, it will be after a lot of effort and a lot of burdensome expense.

To summarize it, there is certainly a market for out-of-demand products provided that the market hasn't written them off because of a poor history. Don't restrain yourself from promoting a product just because your market isn't aware of

something like that yet. Go all out and advertise, and you might have a pioneering product in your hands which will soon spawn a thousand rip-offs.

Chapter 5:

Three Methods to Reduce Your Costs in Building Products

Summary

Reducing costs in building products. Most people want to read only about this.

Three Methods to Reduce Your Costs in Building Products

“He who does not economize will have to agonize.”

- Confucius

In these times of recession it is even more crucial to reduce the cost of designing, manufacturing and marketing a product. Here are 5 ways you can stay lean and mean:-

1. Build products on demand – Foresee the demand in the market for a specific season and produce to fit that need. Simply piling up the inventory will incur costs on storage, spoilage and blocked capital.
2. Standardize your production – Design your product to be manufactured with parts already available in the market, rather than custom manufacturing them. That can yield great savings in production cost. Purchase your parts in bulk after extensive market search; this will lead to economy of scale.
3. Design improvements at an early stage can also save you a lot of grief and can cut down on costs of quality control. Western production relies on extensive testing to prove a product. Comparatively the Japanese believe in ‘Prove by Design’. Even if a product passes a test a thousand times, it can fail the 1001st time! The Japanese want clear design based proof that a product or process will not fail.
4. Rationalize your product line – Review all your products and their performance regularly and eliminate the flops. You have to be ruthless in stopping even your pet projects if they don’t sell. Otherwise their losses will eat into the other successful cash cows. Focus on versatile products

that can be customized to fit niche areas in the near future. Careful monitoring of market trends can also save on product rejection.

5. Restrict outsourcing – Separating your engineering and manufacturing areas can lead to slowdown in production. You also risk losing control over quality and raw material flexibility. Measuring your total costs is also crucial. Activity based total costs must be envisaged well in advance. If that is not possible at the time of going into production, sufficient allowance has to be provided.

Chapter 6:

Buying Resell Products Online

Summary

Resell products are the present day buzzword, mostly for Internet marketers.

Let's see what these mean.

Buying Resell Products Online

Actually, resell products go against the very grain of our concept, i.e. building products, because here you aren't building any products at all. There are various people in the world who love building and developing products but hate the idea of having to sell them. Then what do these people do? Quite simply, they make these products available for reselling. In simpler words, these products are made available online so that other people can buy the rights to them and then sell them over. The money equation is simple – the purchaser of the resell rights pays a onetime price to the developer of the product and any gains achieved from selling the product are then those of the person that buys the resell product.

Though you aren't building your own product here, it is still a good idea to discuss these products, because there are several marketers – especially Internet marketers – who are using this concept to build sturdy online businesses for themselves. They consistently buy resell rights to the products, tweak them if the developer permits them to, and then sell them over for a tidy profit.

Since people will continue buying these products, it becomes a possibility for the seller to earn a continuous stream of residual income. These products are generally sold online and are in the form of eBooks or software applications or on similar lines. Hence, once put up for sale, there can be a continuous sale of them.

However, you have to remember the basic rules while looking at resell products. It is best to have products that are in demand and if you are looking at some product that is out of demand, make sure it has something unique about it. Make an attractive sales page and use all the marketing knowledge you have and you will see that you get customers.

There are quite a few places on the Internet from where you can get resell products. The following are a few examples:-

<http://www.resellerproducts.com/>

<http://www.resellrightsifu.com/>

<http://www.nicheproductsreseller.com/>

Chapter 7:

What's More Important than Building the Product?

Summary

Merely building the product isn't enough.

What's More Important than Building the Product?

We have been speaking about how a great product is integral to your business and in many ways it is. In fact, if a list of the top things to do to ensure business success were created, having a good product would be right there on the top. However, there is something that is also quite important. You could say it goes hand in hand with product enhancement.

And what is that? This important thing is promotion.

Without promoting your product, your business is dead in the water. It won't get a good start, which will make you lose money and you will be out of your business soon. This is a vicious circle; you have to try to be out of this as soon as you can.

So, what does promotion mean? Basically it means advertising your product, but in simple layperson terms, you could also say it is highlighting your product where it can meet with good exposure. Today, the Internet has opened up various vistas for advertisement. You can actually reach out to your target niche and promote your product directly to them.

There are so many products in the market currently which aren't better than their competitors but are still surviving and some are even dominating. Now, why is this happening? Advertisement is the answer. They spend millions on ad campaigns, both online and offline and increase the curiosity levels. If the packaging is slick, if the promotion has been great, then people don't mind checking out the product.

But the most important thing that advertisements do is to create an awareness of the product. People know that the product exists; there builds up a curiosity level for the product. It is because of this that people don't mind adding the product to their shopping carts to try them out if nothing else.

Slick advertisement and brand awareness are extremely important when you are trying to build a product that can reach out to people. Don't undermine the importance of these two aspects, which can very easily make or break a product, however good or bad it is.

Chapter 8:

Selling a Refrigerator to an Eskimo

Summary

Traditionally, this line has been used to indicate a wily salesperson that uses every trick in the book to sell things to people that they don't want. But isn't this talent going to be great for you if you are entering business?

Selling a Refrigerator to an Eskimo

“There is only one way... to get anybody to buy anything. And that is by making the other person want to buy it.”

- Dale Carnegie, *adapted for advertising*

How do you sell a fridge to an Eskimo! That challenge has always been the symbol of the ultimate in marketing a product to someone who simply does not need it. There are funny answers that come up, which also stand for dubious practices in advertising.

‘Tell him there is alcohol in it’ is a kind of surrogate advertising. Your intent may actually be to sell him alcohol, so you sell him a fridge bundled with bottles of whisky. ‘Tell him it will make him feel warmer,’ is a partial truth, because technically speaking, the temperature inside the fridge can be adjusted to be higher than the subzero cold outside!

But let us revise that original statement – That challenge has always been the symbol of the ultimate in marketing a product to someone who **apparently** does not need it. That will lead us to ask – is there possibly a reason why an Eskimo would need a fridge? The answer is another simple question – Why do you sit at your dining table eating a salmon dish with a fork and knife? Why aren’t you out there in the jungle spearing the fish and roasting it on a crude fire? Product development, advertising and marketing are the driving forces of civilization and **convenience**.

The Eskimo needs a fridge because he no longer wants his wife to go and bury the reindeer roast under a pile of snow. And, here we come to another factor in advertising, he also wants it because his neighbor has bought one!

So that's it! We have sold a fridge to an Eskimo without any trickery, without gimmicks or lies. We have simply fulfilled the three needs of a good product for the Eskimo – a product that satisfies a need, with great looks and high quality, marketed well.

That wasn't very difficult was it? Now shall we attempt to sell bottled water to millions of people who have easy access to safe drinking water through taps in their kitchen? That is probably tougher than selling a refrigerator to an Eskimo!

Chapter 9:

Keep Your Ears Open

Summary

The ears are the most important organs of a successful businessperson.

Keep Your Ears Open

“We listen. We do stuff, we follow through, and then we listen more.”

- Craig Newmark, founder of Craigslist.com

Coca Cola and Pepsi are two of the biggest giants in advertising and marketing in the world today. They spend millions of dollars in market research and product development. Could they go wrong? In the early 1980s, Coke tried to retain its position as number one by introducing New Coke to replace the old flavor. There was a hue and cry from the public and Coke was forced to bring back its original classic cola. A few years later Pepsi launched Pepsi AM, a drink targeted for breakfast time. And yet later came Pepsi Clear, a colorless cola drink! Both were rejected by the market.

Coke and Pepsi reacted to negative public feedback by quickly withdrawing those flop products from the market. There are several cases of dud products eroding the market share of a company because no one listened to the consumer. Ford Motor Co. sold its first bestselling car for a long time under the line – “People can have the Model-T in any color - so long as it’s black.” After a while buyers began to ask for style and color options. Ford’s competitors listened to the feedback and obliged. Ford was compelled to follow suit to service.

Today, the vast reach of the Internet makes listening much easier. The Consumer Relations departments of many companies set up and monitor Face book, Twitter and blogs where they can listen to instant feedback and act swiftly to correct a problem or to improve a product. Nowadays an email or blog post complaint of a user’s cell phone battery exploding will get an instant response from the manufacturer.

The customer is always right, and more so when he is mad as hell. An angry customer has to be quickly placated and the cause of his grievance must be

identified and resolved. The very fact that a company provides a swift healing balm can be magical on a disappointed buyer and create goodwill for the seller again. The chance for these interactions and feedback lie in the after sales service and even after the expiry of the warranty period. A company that ignores a user after the sale is made is doing so at its own peril.

Chapter 10:

Products Build Businesses

Summary

There can be no greater truth in the business domain.

Products Build Business

So when we are tying the shoestrings on this eBook, having made our point clear, we are tempted to say yet again – *Products build businesses.*

Back in the 70s, a particular business model amounted to a new craze. It was a network marketing model in which people could induce other people to join a membership network and earn commissions. Everyone who brought anyone could earn a commission. Then that new recruit would be expected to bring other people into the network and a significant amount of the up line people would earn commissions and everyone would be happy.

It was only a few months into the system that people would realize how cheated they actually were!

The reason was, there were no products in the business model. Everything just depended on bringing in new members and earning commissions. After the initial commissions that kept people laughing, these commissions soon started dwindling as the down line levels began to increase. The laughter was swiftly converted into audible sobbing.

Today we know these nefarious business models as pyramid schemes. The US and other countries have rapped the knuckles of these businesses hard. They have banned any such scheme and anyone operating through them could also end up seeing what the inside of a prison is like.

This only goes to show one thing – products build businesses. We cannot have a business without a product, and if the product is good, the business is going to be good as well. Only, you will have to make the people realize that you have such a product out, and hence you need to advertise. If you have a great product and if you advertise that well, there's nothing that should stop you from succeeding in

your entrepreneurial desires. This is the one conclusion that you have to learn and accept, and if you look around, you will see that all successful businesses have obeyed this adage to the hilt.

Conclusion

You now have with you the greatest guru mantra for running successful businesses. This should be quite enough for you to achieve your ambitions, though there is work that you will have to put in.

Go ahead and make your plans now. There's a lot to do on the drawing board.

All the best to you!!!