

## Launch Pad

# Why public relations can make or break a new product launch

by Mark A. Hart, President, OpLaunch (mark\_hart@oplanch.com)

This month, we introduce a new column, Launch Pad, to give our readers a look at this frequently under-reported and under-discussed important segment of the new product process. In this article, our columnist explains how public relations can be the decisive element in the launch of certain types of products and services.

To have a successful new product launch, one needs more than a good product. Good public relations can be part of that “more.” In fact, it can sometimes produce a successful product launch, while the lack of public relations may contribute to the failure of a launch.

The type of public relations (PR) usually used in new product launches, especially with consumer products, can be defined as “enhanced persuasion.” The formula for success in this type of PR as shown in the box on this page is to target the right people and generate word-of-mouth buzz

In practice, a PR product launch plan may include items such as selecting appropriate launch messages, preparing company representatives for public presentations, getting non-disclosure agreements signed, identifying and using third-party advocates, pre-briefing analysts and reporters, getting media coverage, and arranging public speaking engagements.

## Better than advertising

One of the findings of the Schneider-Boston University study (www.schneiderpr.com) *New Product Launch Report Executive Summary* [1] is “Consider public relations: an overlooked weapon in the launch arsenal.” Al Ries [2] states “In a new product launch, PR is usually much more effective and efficient than advertising.” (*Visions* carried an article on this study in Jan./Feb. 2002 issue.) [1]

Forsyth and Stevenson [3] relate a story of two companies that simultaneously introduced similar products to the same market. The first company introduced their product line with a minimal launch effort. Although the product line was a technical success, it was withdrawn from the market after five years because of poor sales. The customers that had standardized on this product line had to re-invest to incorporate alternative products into their processes.

The second company launched their product line with the support of their senior

## Key Elements in Enhanced Persuasion PR

- Target the right people
- Generate word-of-mouth buzz

technical staff and other respected industry experts. Their product line had over 700 part numbers and the market was convinced of their commitment to the new technology. Within 18 months, the PR campaign and product advertising helped this product line achieve an annual run rate of \$5 million in sales. The product line’s success ensured that it would continue to be sold for many years and provide revenue to the company to enhance technical support.

Forsyth and Stevenson conclude that great products accompanied by tailored messages for each major market group improve the



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PR played a major role for the winner for the best hi-tech campaign. The winner was OutCast Communications (www.outcastpr.com) along with Good Technology (www.good.com). They won for Good Technology’s enterprise solution which provides a desktop-like experience from a mobile device. This device enables two-way communication for messaging and information access for handheld devices.

What has enabled Good Technology to grow from product introduction in 2002 to over 1200 enterprise customers in October 2003? How did they maximize their A-T-A-R, that is “Awareness, Trial, Availability, and Repeat Use Requirements?” [4]

## Increasing awareness

Before launch, Good Technology leveraged its assets: a seasoned CEO, high-profile board members, and big-name customers. OutCast Communications had a specific goal for press coverage to hit at the right time. The PR firm landed stories in *USA Today*, *The New York Times*, and *The Wall Street Journal* on successive days. They presented a David versus Goliath story—that is, the Good Technology solution versus the popular RIM BlackBerry. They quickly established the credibility of the small company with representatives from the target market—enterprise clients.

Good Technology’s pilot program promised that if an enterprise gave them two hours with their Microsoft Exchange Server administrator they would provide hardware devices, software, and service for 30 days.

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chances for a new product to emerge as a market leader.

## Part of planning

Forsyth and Stevenson warn companies that do not use PR principles as part of their launch: “Firms that lack the resources or the will to mount a PR campaign in support of a new product should seriously consider whether it even makes sense to invest in product development in the first place.”

The 2003 awards given by *PR Week* (www.prweek.com) contain timely lessons for new product developers. Here are some examples which I believe illustrate lessons I have seen in my own practice:

Good Technology worked with partner organizations such as cellular providers, equipment manufacturers, and software developers, and made strategic alliances with companies such as Dell to demonstrate wireless corporate messaging and information access solutions to a wide variety of industries. Each success enhanced their credibility to provide a solution for new customers.

#### Reinforcing core competencies

Good Technology focused on their core competencies. They have a customer-centric product development process. They identified and implemented important features such as cradle-free synchronization to provide convenience and fresh information; standards-based components to provide a greater choice in the selection of supported hardware and software; and bulletproof security. They had to have a great product because the competition was the established market leader. The sales and support groups were prepared to customize solutions for new clients.

Joel Jewitt, VP Business Development and a founder of Good Technology, says, "It is rare for a Silicon Valley startup with 150 people to have an in-house PR expert." Jewitt believes that he was able to get higher quality and efficiency by hiring experts at an outside PR agency who are continually honing their skills and developing the required relationships. To make a product that "appears simple" to customers, the engineering and support staff must solve complex underlying issues. This is where they add value.

Turning to consumer products, *PR Week* gave the 2003 award to the Mini Cooper cr. For 2002, USA sales exceeded the target and there was a waiting list of loyal fans ready to purchase the car. The small car was promoted for its charm, design, engineering, and personality. Seventy-five percent of buyers were turned on to Mini by editorial media. Advertising messages were consistent with the PR messages. To ensure the effectiveness of the advertising agency's effort (Crispin Porter & Bogusky), the 70 Mini Cooper dealers were allowed to vote for the bonus to be paid the agency.

The PR innovation of the year award went to Weber Shandwick and Lawson Software for WeberWorks, a web-based system used to manage projects, which improves collaboration and knowledge sharing.

#### Measuring PR success

How can successful PR be measured? One primary success metric—besides press clippings—is the number of highly motivated

inquiries that a product receives. In addition, marketing synergy is improved when the PR assets can be re-purposed for use in the company's web site or promotional materials.

How does one pick the appropriate PR agency? Begin by inventorying your internal capabilities and capacities in marketing, public relations, advertising, branding, event management, and analyst relations. If you


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need an external PR agency, identify teams that have had success with existing clients in the same industry. Talk to colleagues. Look on the web sites that list public relations pros such as *O'Dwyer's*, the Public Relations Society of America, and the International Association of Business Communicators (IABC). You will find there are advantages—and disadvantages—in working with large PR agencies versus boutiques.

Typically, a PR agency should not be used for strategic development or for most of the marketing portion of a new product development effort. Traditionally, PR agencies engage in the new product development process when product prototypes are available and they have maximum visibility at the time of product announcement. On the other hand, you want to bring the agency in soon enough to help you develop the marketing plan.

#### Part of the launch team

To gain fullest value, the PR agency should become part of your launch management system. Typically, it is better equipped to handle communications problems—such as production delay or some other negative publicity—than you are, or even your in-house PR people.

How can you maximize the chance for a successful product launch? Of course, the starting point is to design and build excellent products and deliver great service. But many times you need more than that. When launching the product, PR can provide a valuable tool to persuade others to see, appreciate—and buy—your new product. 

Mark A. Hart is President, *OpLaunch*.

#### Footnotes:

- <sup>1</sup> "Why New Products Blast Off or Fizzle: Results of a Recent Survey," Joan Schneider, *PDMA Visions*, Feb./Mar. 2002, Vol. XXVI, No.1.
- <sup>2</sup> "Why PR is the Nail for the Hammer of Advertising," Al Ries, [www.adage.com/news.cms?newsId=38714](http://www.adage.com/news.cms?newsId=38714), 15 September 2003.
- <sup>3</sup> "Branding through Public Relations: The often-overlooked Springboard for New Product Acceptance," Doug Forsyth and Robert Stevenson, *American Laboratory*, May 2003, pages 56-59 [www.iscpubs.com/articles/al/a0305for.pdf](http://www.iscpubs.com/articles/al/a0305for.pdf).
- <sup>4</sup> *New Products Management*, Sixth Edition, C. Merle Crawford and C. Anthony Di Benedetto, Irwin McGraw-Hill, 2000, Chapters 8 and 18.

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