Selling the Invisible
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The Big Idea
A classic book on marketing services, with hundreds of quick, practical, easy-to-read sections; perfect for picking up anytime throughout your day. Beckwith tells you in simple and plain language why focus groups don’t really tell you anything, what positioning really is, and outlines eighteen common planning fallacies. A basic marketing guide that refreshes the mind after reading so many gurus and faddish ideas, now here’s a book with timeless ground rules that are supported by real world stories.

Getting started, misconceptions, rules of thumb, and survey/research

The first rule of service marketing, or selling the invisible is: The core of service marketing is the service itself. Before you write an ad, rent a mailing list, or fax a press release, first things first - fix the quality of your service.

The best thing to do is assume your service is bad and you will be forced to improve it.

Forget the excuses and remember McDonald’s. How can McDonald’s deliver spotless restrooms and world-class French fries in 50 seconds for just 79 cents? McDonald’s raised the standards for service excellence worldwide. If you think it can’t be done. Think of McDonald’s.

In advertising, creative people win awards for clever copy and arresting visuals, but do these great ads really help grow the clients business? Who is setting your standards? Your ego, your industry, or your clients? Ignore your industry’s benchmarks, and copy Disney’s.

Why emulate Disney? They show us how service is clean, friendly, and creative.

Do not presume big causes lead to big effects. A small cause can lead to a big effect. A butterfly in Singapore flapping its wings can affect the weather in North Carolina. This is the Butterfly Effect. In marketing services, little things can have huge effects.

Address the error immediately. Hire sales people who can turn a mistake into a profitable experience. If a customer walks in and the goods you promised aren’t ready, apologize and have them ready in five minutes. The five minutes he spends loitering in your shop and looking at other things could mean more business for you.

Write an ad for your service. If after a week your best ad is still weak, stop working on the ad and start working on your service.

If you fail to communicate your message clearly, it will cost you. Service is the heart of service marketing, but marketing is the brains. If the brain fails, the heart follows.

Don’t just think better. Think different. Citicorp pioneered automated teller machines and aggressive marketing of credit cards. McDonald’s radically redefined fast food into a process-driven approach.
Always start at zero. Ask if the way you serve customers is the way they would like to be served. Should your team develop new skills? Should you narrow your scope?

Stage one of any industry is meeting acceptable minimum standards. When the automobile first came out, everyone was satisfied with the same black car. Stage two is when customer needs like AM/FM radio, colors, and driver’s ashtrays are addressed through product design; the added features and choices are market-driven. Stage three is where companies like Disney, FedEx, or Lexus are, giving customers an experience far beyond anything they could have imagined.

Create the possible service. Don’t just create what the market needs or wants. Create what it would love.

When conducting a survey, phone or oral surveys are better methods because you can hear the customer’s frustrations and emotions as against reading a written survey. People also tend to talk more because it is easier than answering pages of written surveys.

Have a third party conduct your surveys for you. This is a good idea because people are more open and frank when talking to another party than to you, especially if they are dissatisfied with your service.

Why Survey?

- It gives you an opportunity to sell something or make an offer.
- It gives credibility to your statements about service quality.
- It keeps you in contact with your clients.
- It lets you learn from your mistakes.
- It helps you flag possible problem areas and clients.
- It keeps you from coasting.
- It keeps you from wondering what you are doing wrong.
- It tells you what business you are in, and what people really are buying.

Never ask what people don’t like

The one question you should never ask is “What don’t you like?” People don’t like to be made to think they made a wrong decision.

Focus groups don’t tell you anything.

Focus groups are misleading because you think you zeroed in but they tell more about group dynamics than about market dynamics. Controlling types take over and try to persuade others. Shy types sit quietly and wait until the hour is up. People’s views are distorted by other people’s views. You are selling to individuals, so talk to individuals.

In Japan, many companies do away with marketing departments altogether. Marketing is something the whole company is involved in.

Everyone in you company is responsible for marketing your company. Every failure is likely to be costly. So make marketing everyone’s business.

Ask for outside help to be able to see the real scope of your business. Most businesses suffer from marketing myopia, or tunnel vision - the inability to see what the real issue is.

Make every employee a marketer. The fastest, cheapest way to market your service is through your employees. Every act, every smile, or telephone call is a marketing act upon which your success depends.
What are you good at?

Federal Express is brilliant at logistical management. Anderson is a well-regarded information management consulting practice. In planning your marketing, don’t just think of your business. Think of your skills.

What are you really selling?

Find out what clients are really buying. People are not buying hamburgers at McDonald’s. They are buying an experience.

If you are selling a service, you’re actually selling a relationship.

Before you try to satisfy your client, understand and satisfy the person. That means knowing his likes, hobbies, pets, family life, dreams and goals.

Your real competition is sitting across the table from you. Plan accordingly.

Your prospect faces three options: using your service, doing it themselves, or not doing it at all.

So in many cases your biggest competitors are not your competitors but your prospects.

Go where others aren’t.

Take a look at Wal-Mart. Sam Walton put up these large discount stores in towns where the population was no more than 10,000. After 30 years, Sam Walton died. He was America’s richest man and his company was America’s biggest retailer.

Make technology a key part of your marketing plan.

Every service company should have a director of technology who regularly tells management how new technology can be used for competitive advantage.

Study each point of contact then improve each significantly.

From the design of your business card, to the disposition of your receptionist, to the layout of your store or office, to how you make a presentation – think of how you can make a phenomenal impression.

Life is like high school. Service marketing is a popularity contest.

The competent and likable solo consultant will attract far more business than the brilliant but socially deficient expert. Be professional, but more importantly, be personable.

Planning: the eighteen fallacies

You can predict the future.

Absolutely not true. People thought the baby boom would cause unemployment to rise. They thought books would become obsolete after television. They thought people would stop going to the movies after the VCR. Nobody can know the future. Plan for several different possible futures or scenarios.

You can know what you want
Accept the limitations of planning. Putting smart people in a room doesn’t always guarantee a good plan.

The greatest value of the plan is the process.

Don’t plan your future. Plan your people.

Strategy is king.


Build a better mousetrap.

Execute with passion. Marginal tactics executed brilliantly always outperform brilliant tactics executed marginally. If you execute your idea without passion, people lose confidence in the idea.

There will be a perfect time.

Do it NOW. Those who wait are just waiting for death.

Patience is a virtue.

Keep moving like a shark. When a shark stops moving, it dies. So keep moving.

Think smart.

Think dumb. Good ideas always sound ridiculous at first.

Science and research data

Forget the research data. Using numbers like “five out of six people prefer New Coke to Old Coke” may sound factual, but in actual practice, nobody liked the taste of the New Coke.

Focus groups

A focus group did not generate these great ideas: ATMs, traveler’s checks, overnight delivery, frequent flyer programs, credit cards, drive-ins, home delivery...

Focus groups loved these lousy ideas: skinless KFC chicken, McLean low-calorie burgers, and low-fat Pizza Hut pizzas. All three products were trashed. Beware of focus groups. They focus on today but planning is about tomorrow.

If you want to generate good ideas: brainstorm. Don’t use a focus group.

Overconfidence bias or thinking “I’m always right”.

Question your own authority. Maybe the other person is right.

Seek perfection.

NO. You can never achieve perfection, only “very good”. Strive to offer very good service to your customers. People will not spend more, drive further, or wait longer for “the best” when “very good” is readily available.
Failure is failure.

Failure means you are on your way to success. Failure shows you have taken a risk and tested an idea. Robert Townsend turned Avis around in the 1960s, yet he said two of every three decisions he made were the wrong ones. The world champion in baseball only has to win 57% of its championship games. It’s a good thing to fail. It means you are trying to succeed.

Expertise

Don’t look to experts for all your answers. There are no answers, only informed opinions.

Authority

The alphas dictate what the group does. If you’re an alpha, learn to shut up and listen to other people’s ideas and opinions.

Common sense

Common sense will only get you so far. For inspiring results, you’ll need inspiration.

Fate

Some people cannot visualize themselves as successful. They are afraid of disappointment. Simply have faith in yourself.

Anchors, warts, and American Express: how prospects think

American Express attaches itself to one idea: membership has its privileges. People who use it belong to an elite club that has to pay higher annual fees, and suffer stiff penalties for late payments. As opposed to utility or ease of use and ease of payment of Visa cards, Amex users like the idea of being a privileged or exclusive class, it is not in any sense logical. Appeal only to a prospect’s reason and you have no appeal at all.

Familiarity breeds business. Despite negative publicity, after a while the negative effect fades away and people will remember the name of your company. Spread the word whenever you can.

Use the Recency Effect. Be the last agency to present to a client so you will be the one remembered. Take advantage of this by adding a powerful follow-up.

How do prospects decide? They normally choose the option with the least problems. They will buy from the website order form that is easiest to fill up. They will order subscriptions if reply forms are ready and postage has been paid for. Forget looking like the superior choice, focus on being an excellent choice. Eliminate anything that makes you a bad choice.

Identify and polish your anchors. These are first impressions that last. If you enter a company as a secretary, no one will think you can become part of the management team. Preconceptions are hard to change.

Each impression you make will be your last, so make it strong.

Minimize risk of a bad customer experience while building quality into your service.
The best thing you can do for a prospect is eliminate her fear. Offer a trial period or a test project.

Show you warts. Admit your weaknesses. Tell the truth, even if it hurts, it will help.

The more you say, the less people hear: Positioning and Focus

Let us recap Jack Ries and Al Trout’s marketing classic, “Positioning” which says:

You must position yourself in the mind of the prospect.
Your position should be singular or one simple message.
Your position must set you apart from your competitors.
You must sacrifice. You cannot be all things to all people. Focus on one thing.

Stand for one distinctive thing that will give you a competitive advantage.

To broaden your appeal, narrow your position.

Position yourself as the expert at the most difficult task in your service. What tells people that if you can handle this problem, you can naturally handle the easier ones too?

Say one positive thing and you will become associated with many.

If you cannot see the differences in your service, look harder.

No company can position itself as anything. A position is how you are perceived in the minds of prospects. A positioning statement says how you wish to be perceived. Don’t start by positioning your service. Instead, leverage the position you have.

Avis ads repeated “We’re number two. We try harder.” These were words people believed and sales soared.

Establish your positioning statement by answering the following questions:

- Who are you?
- What business are you in?
- Who do you serve?
- What are the special needs of the people you serve?
- With whom are you competing?
- What makes you different from those competitors?
- What’s the benefit? What unique benefit does a client derive from you?

How to narrow the gap between your position and your positioning statement:

- Find out what your position is in your prospect’s mind.
- Craft bold dreams and realistic positioning statements.
- Choose a position that will reposition your competitors then move a step back toward the middle and clinch the sale.
- Don’t try to hide your small size. Stress the advantages of a small service firm such as agility, quick responsiveness and individual customized attention.
- If you think you can afford not to focus, think of Sears.
- No matter how skilled you are, you must focus your skills.
- Positioning and focus makes your word of mouth more effective.
- Positioning and focus will make employees effective marketers.
- Positioning and focus will rally the troops. It gives everyone a clear direction to work towards.
Ugly cats, boat shoes, and overpriced jewelry: Pricing

Don’t assume that logical pricing is smart pricing. Setting your price is like setting a screw. A little resistance is a good sign. Avoid being in the middle of the premium service and low-cost provider. Don’t charge by the hour. Charge by the years of experience. Charge for knowing where to hammer, rather than for mere hammering. If good value is the first thing you communicate, you won’t be effective. If good value is your best position, improve your service.

Naming and branding

Give your service a name, not a monogram. Don’t try to be funny with your name. Generic names encourage generic business. Never choose a name that expresses something everyone expects from your service, like “Speedy” delivery. Be distinctive. Sound it. If you need a name, start with your own. Use your name, your wife’s, your initials, and play around with them to see if you can come up with something creative that also alludes to your service. Give every name you consider the ‘information per inch’ test. NameLab is a name development company whose name shows exactly what they do. They have a scientific way of going about creating product or company names. Use Federal Express as your standard. How much does your name communicate? Service companies lose business to big name brand service companies. In service marketing, almost nothing beats a brand. A brand is a warranty. A service is a promise to deliver. Building a brand builds your promise. Preach integrity and practice it. This is the heart of your brand. A story is more easily passed on when the brand name is easy to remember. Kraft sold for eight times its price on paper. The brand of Kraft is what you are buying. A brand is money. If you think building a brand is not important, then look at the following names and see if you still think so...

Harley Davidson, Procter and Gamble, Rolls Royce, Xerox, Kleenex, Kodak, Lloyd’s of London Harvard, Sony, Nike, Disney, Coca-Cola, Nikon, Microsoft, Honda, Levi Strauss, Mercedes-Benz, Marlboro

To speed up the building of a brand, choose a name that will be impossible to confuse with a similar one. Building your brand doesn’t take millions of dollars. It just takes imagination. A babysitting service brand was built by a high school freshman with very simple marketing tools. She would paint a rocking horse with her brand “Kate © kids - world class babysitting 555-1111“ and place it outside the house wherever she was sitting. Soon the whole neighborhood would contact Kate for her babysitting services, and she had a roster of ten sitters who would give her a percentage of their pay. Kate built a local brand with only $32 in paint and plywood.

How to save $500,000: Communicating and selling

Say one thing. Just one simple message will do. Give them one good reason why they should buy from you. One good story beats a dozen adjectives. Stories are the easiest way to spread word of mouth. Stories are passed on and make things more credible or personal and more persuasive. Attack the stereotype your prospect has about you. Good basic communication is good basic marketing. Be specific, and vivid. Use familiar examples to make your point. Never use two words when one will do.
Prove your service quality. Be honest. Tricks and gimmicks are not the key.
If you think your promotional idea is silly or unprofessional, it is.
Prospects buy how good you are at who you are.
Convey that you are positively good. Do not try to say you are the best or superior. People like to feel you are comfortable like a pair of old slippers.
It is always better to say too little than too much.
Make the invisible visible. Shine your shoes. Design the lighting in your office to create a different effect, dress carefully.
Make your visuals uniform. It makes you look professional and easier to remember.
Make sure you use only one look for your brochures.
Have face-to-face meetings, it will improve chances of closing a sale rather than mailing information or brochures to prospects.
If you are selling something complex, simplify it with a metaphor. The words “black hole” simplifies the concept of a gravitationally completely collapsed object.
Use the generative power of words wisely.
It’s all in how you say it rather than what you say.
People don’t listen to clichés.
Get to the point or you will never get to the close.
Tell people in a single sentence why they should buy from you.
Advertise.
Make your service easy to order or buy.
Talk about the other person, not yourself.
Show that you care passionately about your clients’ business.
Write a mission statement and keep it private.
Draw a clear map. After every mission statement, add an objectives statement.
If the mission statement doesn’t inspire people to act, change it.
Hope sells. People like happy endings and pleasant experiences. Make people smile.

Keeping clients

Assume your relationship is bad and work to fix things.
Don’t raise expectations you cannot meet.
Under-promise and over-deliver
Say thank you often.
Make sure the client knows how hard you’ve worked, how you beat a deadline two days earlier, or charged ten per cent less than the estimate.
Continually remind buyers of your successes, new clients, new awards, growth in staff or revenues,

Quick fixes

Answer the phone in one ring.
Say p.m. deliver a.m.
Speed is everything. Be fast and get faster.
Make clients happy every day.
People can only sell things if they believe in them.

Last word: Take the risk. Get out there and let opportunity hit you.