

Five by Five presents:

Launch Marketing Report.

The Marketer's Perspective.

fivebyfive

Launch Loud and Clear

Introduction.

In the past five years, the marketing landscape has changed dramatically and impacted the way launches are planned, managed and measured. The rise of digital and social media has opened up much greater opportunity for marketers. From testing and shaping new offerings and creating direct relationships with customers, to granular analysis and measurement, marketers are now more informed and campaigns more measurable than ever before.

Whilst this might be the case, on average 40% of launches fail.* Risk of failure and pressure to make the right decisions are commonplace. That, combined with marketers spending an average of 40% of their time working on launches, has highlighted a need for some guiding principles to help maximize launch success.

Five by Five commissioned this research to understand the importance, motivations, media and methodology that companies allocate to ensure their launch is effective.

The methodology involved a combination of qualitative in-depth interviews and a quantitative survey to senior marketing professionals in the UK, USA and Australia.

Based on the findings, five key ingredients required for launch success are highlighted in this report, alongside industry best practice.

* Crawford, C. Merie (1987) "New Product Failure Rates: A Reprise"
Research Management 30 4, p20-24

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One

Defining Launch Marketing.

One

“The launch campaign is to create excitement, campaign marketing is to sustain it.”

Marketing Director, Technology, USA

80% of marketers feel that launch marketing is distinct from campaign marketing.

Although the term ‘launch marketing’ is not widely used, marketers are in agreement that it can be defined as the marketing activity surrounding the introduction of a new product or service.

In its widest context, some marketers also refer to launch marketing when discussing rebrands, brand repositioning and the launch of marketing message campaigns, although this is dependent on the sector in which they operate.

Many senior marketers also see a gradation in launch marketing, from entirely new product launches requiring ‘shock and awe’ to captivate attention, through to more minor line extensions which may require less investment.

“When I think of ‘launch marketing’, I would generally be referring to new products launching into the market, a rebrand or a reposition of an existing brand launching into the market.”

Brand Manager, Beverage Manufacturer, Australia



Nintendo Classic Mini.

In 2016, Nintendo decided it was time to relaunch an updated palm-sized version of the original console, featuring original '80s controllers and 30 games built directly into the system. With sales flying off the shelves before Christmas, the reboot of this nostalgic reboot has hit the mark with consumers.

Two

Launch Planning.

Two

Getting ready for launch.

The average launch planning duration encompassing NPD through to live date is just over six months.

Launch planning time falls between two and six months for 65% of companies and between two and 12 months for 87% of firms.

81% of marketers consider the process from idea to launch to have become faster in the last five years.

Some marketers are involved in the NPD process taking into consideration idea conception, consumer insights, manufacturing and testing.

For these respondents, the launch planning period extends up to two years. The duration of this differs between sectors.

For instance, some computer games can take well over a year to develop, and many pharmaceutical and FMCG/consumer packaged goods must undergo extensive testing before they can be sold to the public.

On average marketers spend 40% of their time on launch activity.

As a consequence of this, there is a huge need for additional resource around a launch. Planning a launch can disrupt business if not handled carefully, as the day-to-day marketing can get overlooked allowing projects to slip.



Amazon Dash.

First launched in the US in 2015, Amazon's 'one-touch' ordering button makes it possible for the company's Prime customers to order any of 40 different brands by pressing the Wi-Fi enabled button.

Two

Internal alignment.

Regardless of company size, marketers are unified in their belief that collaboration is crucial when getting ready for launch. It's particularly important in larger companies where there are many departments, stakeholders and agencies to align – in some cases internationally. Balance is considered to be key, allowing for enough internal and external contributors to provide different perspectives and ideas, but not having so many voices that the central message and objectives become distorted.

Dedicated project lead.

Some senior marketers feel under-resourced in this area and would like to bring in designated project managers to help with the management of the launch process.

Effective internal processes.

38% of marketers considered slow processes to be one of the three biggest barriers to success.

57% believe internal processes are easier now than five years ago.

While internal processes are considered to be easier now than five years ago, they are still a significant barrier to success. This suggests that further improvements could be made to achieve better efficiency prior to launch.

Clear internal communication is critical to success. When this breaks down or is mismanaged, the launch planning process can be slowed down substantially.

Whilst having strong internal communications is important, so is the need to be agile and flexible. Marketers feel rigorous processes can be at the expense of agility; finding the right balance will give you the best chance of success.

“Communication, planning, alignment and competent resources are required to make a launch successful.”

Executive Online Producer, Gaming Company, USA

“We’re lacking one leader that gets all the different departments to agree, or that overrides everything; this is what we’re going to do, this is most important. Right now, it’s still very much like on a committee level.”

Brand Content Lead, Automotive Start-Up, USA

Two

Social listening. 64% use social listening to support NPD.

This is used more frequently in the retail sector (72%) and entertainment sector (68%). Using social media is considered a more cost-effective way of gathering in-house data and insights, meaning spend with external research agencies can be reduced.

Beta testing. 69% use beta testing or pilots to support NPD.

Marketers take a diverse approach to testing, ranging from focus groups to social media, soft launches and piloting, but there is a preference for the latter two methods.

Some companies use beta testing to gain feedback to tweak their proposition before fully launching, whilst others take this approach for financial reasons or if their audience is too small or niche to warrant a hard launch. It's also a common method used to identify marketing messages that will resonate. Overall, marketers feel that they will reduce their risk of failure if they beta test.

“In the past, you had to put the product live, wait six months, and see if somebody bought it. Now you can put it live, play around with it, refine the product, take it down and put it back up again before you actually get to full roll-out.”

Chief Operating Officer, Greeting Cards, UK

“You’ve got that really close relationship with customers now through digital media which allows you to get very quick responses. You can make changes very quickly when you’ve got that loop and you don’t need to go and do focus groups or market research. You simply talk to the customers yourself.”

Manager of Marketing, Sales & Customer Experience, Telecoms, Australia

Two

Be braver with creative.

72% think creative ideas are braver than five years ago.

Marketers feel strongly that creative ideas need to have greater cut through now than ever before. The marketplace is cluttered with messages and the channels consumers are using are more diverse. Marketers are adopting a braver, more disruptive approach to creative ideas to help them achieve this.

Launching on the right date.

Attitudes from senior marketers about timings for launch differ depending on company size. In larger companies, there is a level of confidence that they are an innovative leader in the market and other brands will step aside where they are unable to compete for share of voice. For the same reason, smaller firms tend to choose their launch timing more carefully, outside of key sales periods.

Respondents viewed their position in the market as a strength, irrespective of their company size. Smaller companies believe their agility and ability to course-correct is an advantage, whilst larger companies feel confident that their recognition, resources and leveraging power give them an advantage.



Oculus Rift.

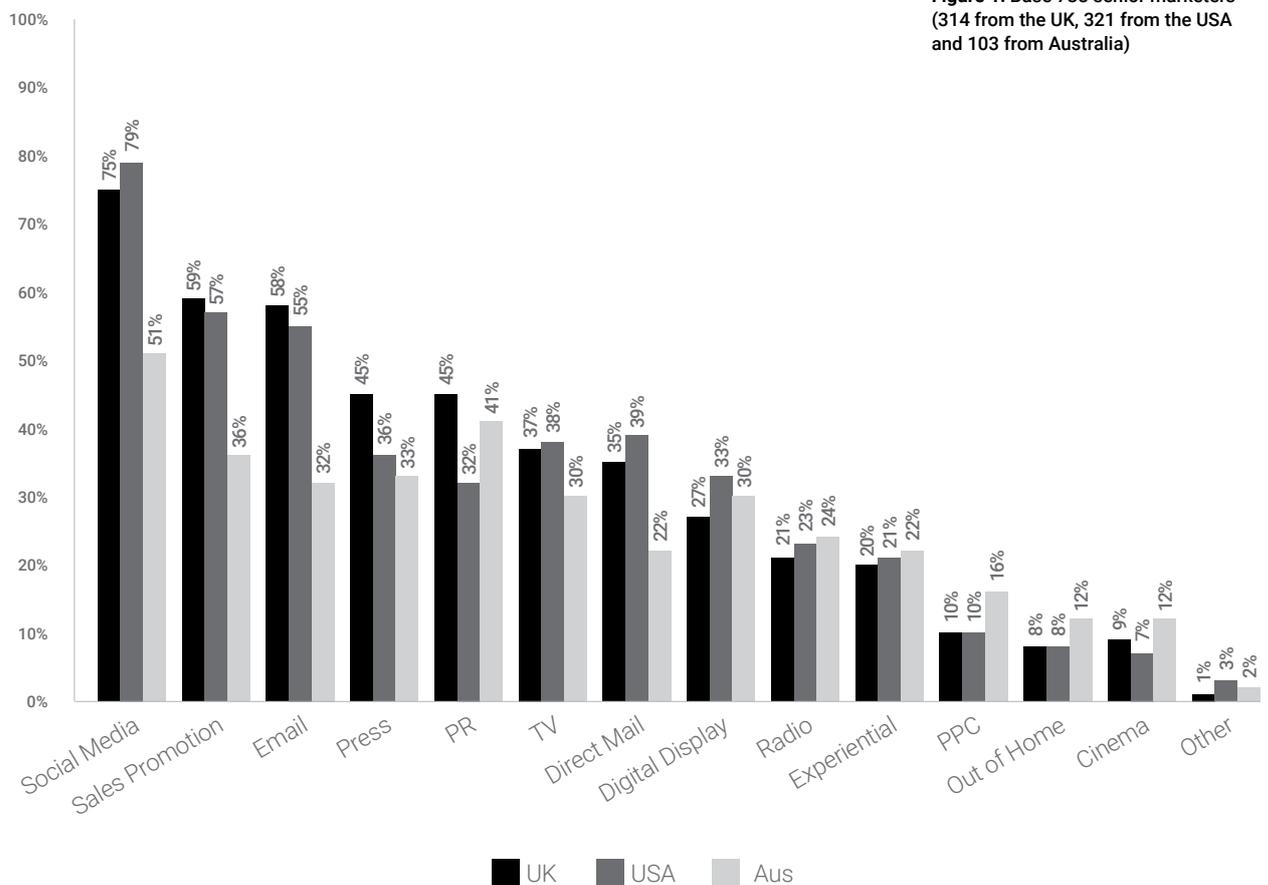
Following Facebook's \$2bn purchase of gaming firm Oculus VR, virtual worlds are becoming a reality again with the launch of an affordable virtual reality headset for playing ultra-immersive video games.

Three

**Going
live in
Market.**

Three

74% of marketers prioritize social media in their top five launch communication channels. Almost all marketers view social media as a crucial channel for launch.



Social media enables marketers to be truly agile for launch – something traditional channels simply cannot offer. Marketers believe that gathering real-time feedback about your product or service means you can change it and tweak it in those critical first weeks.

Fine-tuning can also happen on an ongoing basis through the insights gained through social media. This is particularly useful for companies offering a product or service that is flexible, such as a digital product or services in the hospitality sector.

Three

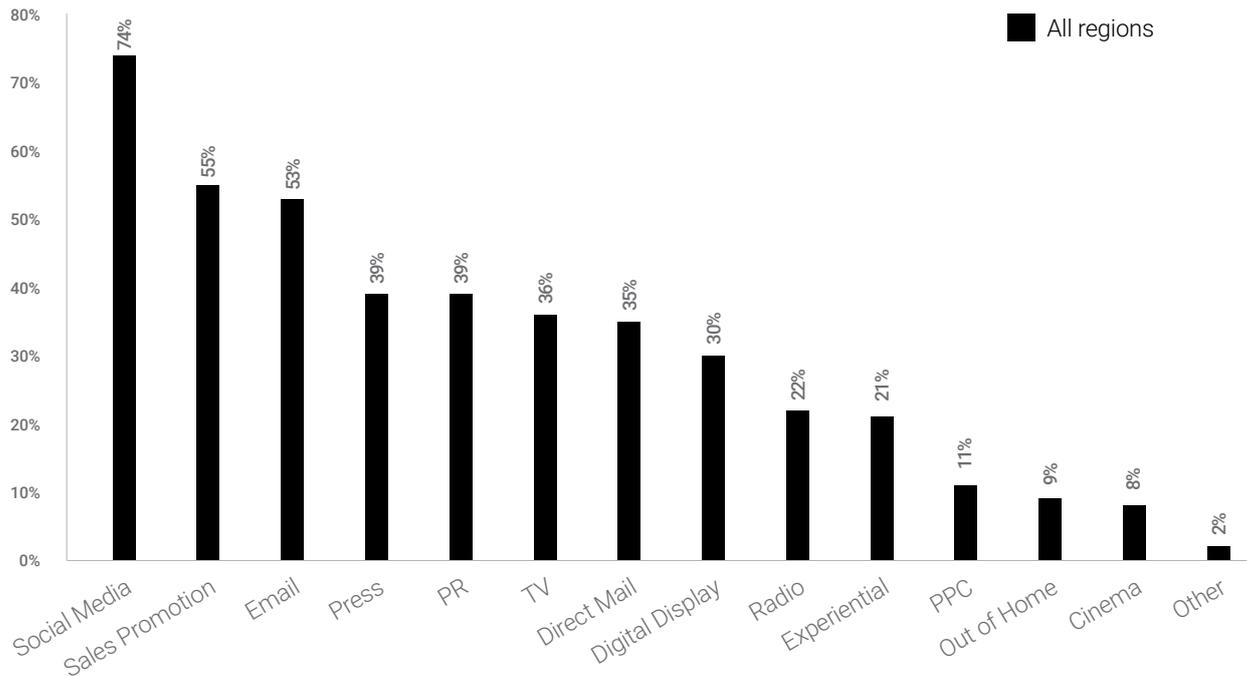


Figure 2: Base 738 senior marketers (314 from the UK, 321 from the USA and 103 from Australia)

The proportion of marketers prioritizing social media for launch is significantly higher in the UK (75%) and USA (79%) than in Australia (51%). Whilst this indicates that social media has more prominence for launch activity in the UK and USA, it's still cited as the most important launch communication channel in Australia.

On average, Australian marketers chose only 3.6 communication channels when asked to select the five most important for launch, versus an average of 4.5 for the UK and 4.4 for the USA. This implies that there is less diversity in the launch channels used by typical Australian companies.

Among sectors, the proportion favouring social media is highest in retail and healthcare (both 80%) and lowest in technology (both 62%).

“The proliferation of digital and social media channels that afford you the ability to tell stories more directly to consumers has been a seismic shift in terms of what we can accomplish in our launch effort.”

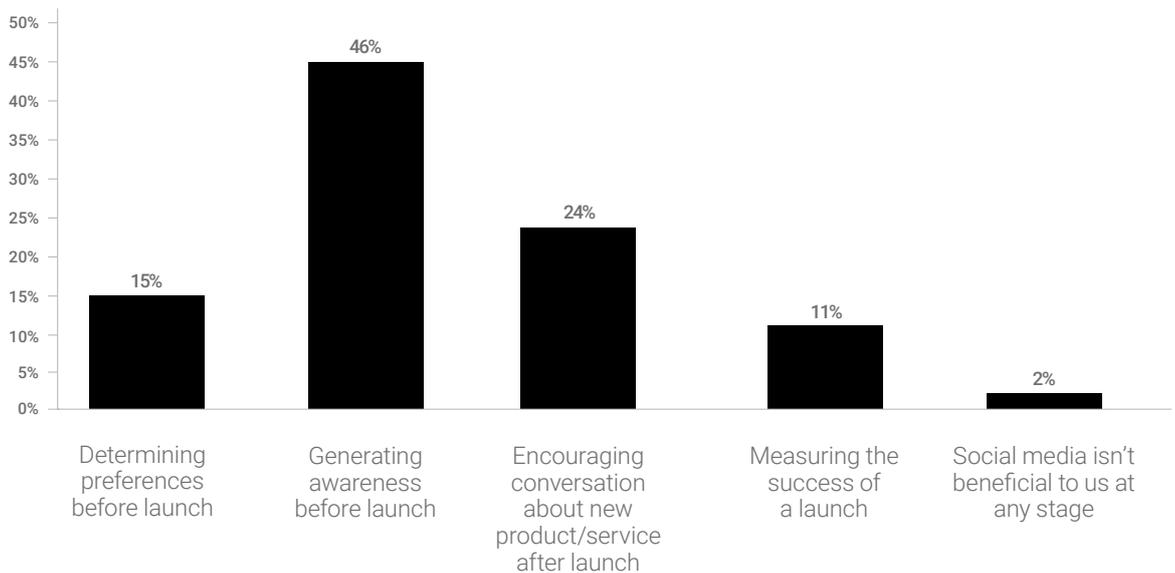
Global Vice President, Marketing, Film, UK

Three

Marketers in the gaming and entertainment sectors typically consider social media to be their principal channel for launch. As these sectors are considered high interest among consumers, marketers use the channel to target fans to act as influencers and ambassadors for their new product or service. It's also regarded as a brilliant forum for word-of-mouth marketing to take place.

Biggest benefit of social. 46% placed pre-launch awareness as social media's biggest benefit.

Benefits of Social Media



“You can be more irreverent, whimsical, radical, surprising, do stunts.”

Figure 3: Base 738 senior marketers (314 from the UK, 321 from the USA and 103 from Australia)

Chief Marketing Officer, Retail, UK

Three

Other important channels for launch.

Only 36% of marketers consider TV in their top five launch communication channels.

TV falls behind sales promotion (55%), email (53%), press advertising and PR (both 39%) in importance as a launch communication channel.

Press advertising is thought to be a more important channel for launch in the UK (45%), than in the USA (36%), or Australia (33%). It's also a channel prioritized more in the luxury goods (55%) and entertainment (53%) sectors.

Beyond advertising, storytelling and editorial content creation are seen as increasingly important by some marketers. Some suggest that an ideal launch would be 'the news in a newspaper' rather than an advert in the newspaper.

Top reasons for Launch failure.

40% of marketers believe ineffective marketing communications to be one of the top three reasons for launch failure.

This suggests the need for specialist skills to help make budgets, ideas and channels work harder.

“For a launch to be noticed and feel special it needs to be newsworthy. If it’s newsworthy it gets coverage. If it gets coverage it becomes news. So PR and communications are vitally important for an effective launch.”

Marketing Director, Financial Services, UK



Adidas Gazelle.

The much-loved Adidas Gazelle has become a cult classic and was relaunched in 2016 featuring the iconic Kate Moss advertising campaign from 1993.

Four

**Effective
launch
measurement.**

Four

Measurability. 87% of marketers think that launch campaigns are more measurable now than five years ago.

This proportion is highest among the luxury goods (91%), healthcare (91%) and FMCG/consumer packaged goods (90%) sectors.

Data analytics are more sophisticated.

With access to increasingly sophisticated data analytics, many respondents mentioned that 'launching' is now far more targeted and that specific consumers can be identified and reached with greater accuracy.

The measurement of launch marketing success has also become more multi-faceted, with an array of new quantitative and digital performance metrics now widely used.

Increasing quantification is not for everyone.

Increasing quantification was generally viewed positively. However, some respondents commented that granularity can become excessive. Precise targeting is most useful for a below-the-line launch for a niche line extension as opposed to the type of above-the-line campaign that might be used for brand repositioning.



iPhone 7.

In September 2016, Apple unveiled its long-awaited iPhone 7, featuring waterproofing, a dual-lens camera and wireless AirPods headphones.

“We do quite a lot of customer research. The challenge for all of us is not to get bogged down in all of the statistics but to be able to recognize and remember that some of the verbatim from customers can be just as powerful.”

Four

Principal KPIs.

When interviewed, the principal KPI which marketers associate with a launch is generally related to sales or orders.

“Most businesses are driven by sales and all other metrics are important but if brand awareness is up 10% and it’s moved five points, but actually our sales are down ten, even if the sales being down ten is not linked to the launch it won’t feel that good. It’ll feel that it is linked to the launch.”

Chief Marketing Officer, Retail, UK

Among our quantitative study, ‘awareness’ and ‘consumer satisfaction’ are considered to be the two most important launch marketing metrics in the UK and USA and across most sectors. Awareness and sales are considered to be the two most important launch metrics in Australia. This finding conflicts with the in-depth interviews where most marketers indicated that sales are the primary performance metric.

Many marketers seek to encourage advocacy for their product among consumers. Some respondents use the Net Promoter Score (NPS) as one of the principal KPIs they now monitor.

Respondents like the way this measurement can easily be benchmarked and compared across dates, demographics, and industries.

There is an element of uncertainty around the extent to which digital and social metrics correspond with economic performance among some marketers. This was clear when respondents were asked about the correlation between social metrics and financial performance:

“We are not very advanced in measuring marketing effectiveness as yet, and whether all those different metrics tie together to commercial performance. You just have to have belief that all of those things do add up to something positive.”

Head of Brand,
Travel & Tourism,
UK

Within the qualitative findings, awareness levels and other softer metrics around brand image were viewed as secondary KPIs, although the charity sector is an exception in this area. For charities, brand perception can be seen as a principal indicator of launch success.

Most respondents indicated that they are unsure of new or different KPIs available and whether they ought to be using them, but that they welcome suggestions and find external thinking helpful in this area.

Five

Launch Marketing Trends.

Five

Launch Marketing Report has highlighted some key findings and trends that marketers must act on if they want to minimize risk of launch failure.

1. Understand your global customer.

The digital market place presents greater opportunity for global commerce. Brands should now be thinking on a global scale for their product or service and scoping market demand and competition on a much broader level. Research what is being offered on international platforms and look at other markets and categories for inspiration. Understand your global customer, their desires and needs and how your offering will help them resolve a struggle or fulfill an aspiration.



Beauty and the Beast

The highest grossing film of 2017 worldwide after Disney brought together a 7-strong plinth of brand partners including Unilever and P&G to help with launching the film.

2. Align your departments.

In 2017, brands need to recognize the importance of launching from the inside out. Overcoming slow corporate processes and a lack of solid internal communication are now more important than ever. It only takes one break in the chain for failure to occur. If customer-facing teams aren't fully aware of the launch and bought into it, this may impact negatively on customer experience.

Appointing a project manager with skills in driving the project forward and aligning departments, as well as involving external agencies earlier in the process, is absolutely critical.

3. Be brave with your creative.

Disruptive ideas are now the norm. With ineffective marketing communications being one of the top reasons for failure, marketers need to revolutionise their approach to creative. Brands simply cannot afford to kick back and settle for

something mediocre when the battle for cut through is so competitive. You have one shot to get a launch right and, with the stakes so high, marketers should question if they have the right creative team in place to deliver. Launch marketing is very different to campaign marketing and requires a different approach. Don't fall foul of not having the best possible team on the job.

4. Prioritise engagement over broadcast.

The flexibility, measurability and adeptness of social media now make it the priority channel for launching new products and services. Whilst marketers are recognizing the value of this and utilizing it to their advantage, the structures and behaviours of media planning and buying are deep rooted. Moving away from traditional media feels like a step into the unknown. Marketers need to adjust their mindset and prioritize engagement over broadcast if they want to win over the future consumer.

5. Stick to measuring business objectives.

Whilst measurement is now more sophisticated than ever before, there is a risk that it can become too granular. Investing time and money into targeting very small groups of consumers can be counter-productive and actually return a negative ROI. The rise of digital ad blocking has also made ROI more difficult to achieve. Marketers should spend more time defining what is really important to the business and investing time measuring these aspects only.

Final word.

Launches are arguably the most exciting process a company can perform but are also the most difficult thing to get right. Marketers need to give themselves the best possible chance of being in the 60% of those that succeed.

The traditional agency model of creative and media is becoming out of date as the need for specialists becomes increasingly important. As the industry continues to search for the holy grail of a successful launch, marketers have been too slow to treat launch marketing as a distinct specialism.

Appointing a team of experts with very specific experience and expertise in launch planning, management and execution should be considered as an alternative to existing campaign marketing teams if you want to minimize risk of failure and unlock that winning launch.

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Launch Loud and Clear

If you would like to find out more about the research or discuss your launch marketing needs, please get in touch: team@fivebyfiveglobal.com

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