LESSONS LEARNED FROM MARKETING SUCCESSES, FAILURES AND TURNAROUNDS

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There is no copyright on success, so when examining successful businesses, there are several points worth considering. First, grower-wholesalers and retail nurseries, garden centers, and florists are not successful only because they practice good marketing. All of the functions of business — management, production, finance, personnel, and marketing — must be properly implemented. Second, a firm that is successful today may be a failure tomorrow. Success is an ongoing process, and the marketing strategy that made the business a winner yesterday may not work indefinitely. Third, a business succeeds because it does a number of marketing activities well. While it is sometimes assumed that a business succeeds because of a particular marketing activity, success usually encompasses the execution of several marketing and business management activities.

Elements of Success

Upon evaluation of several green industry and floricultural businesses, the following elements appear required for success:

- *Leadership.* The individual who is identified as the leader or manager should understand marketing, be aggressive, inspire confidence and enthusiasm throughout the organization, and have a strong desire to be a winner.

- *The Marketing Concept.* The firm should strive for satisfied customers and profitable sales volume, with all the functions of the business embracing the marketing concept.

- *Clearly Defined Goals and Objectives.* A business needs a sense of direction so that employees and management know what to accomplish and a standard is set against which performance can be measured.

- *A Well-Defined Marketing Strategy.* The target market as well as all the elements of the marketing mix (product, price, place and promotion) should be clearly thought through.

- *A Positioning Strategy.* Products must be properly positioned (imagery) in relation to new and existing products as well as competitive products.

- *A Marketing Information System.* Information is necessary in order to make intelligent decisions. An ongoing system that collects appropriate information is vital.

- *Proper Preparation for Expansion.* Development of new products and entry into new markets must be clearly planned, as well as the financial aspects of facilities expansion.

- *A Clearly Defined Image.* A business should project a clear positive image of itself and its products and services.

- *Awareness of Economic, Social, Legal, Technological, and Environmental Factors.* These non-controllable factors can affect a business, so must be monitored.

- *Planning, Organization, and Control.* The marketing factors must be properly managed, which means that planning, organization, and control are necessary.

Reasons for Failure

A business need not cease to exist to be a failure — being in serious trouble or being only a skeleton of its former self also qualifies as a failure, and following are some of the major reasons why firms might be viewed as failures:

➔ *Failure to Adjust to Changing Times.* Business was conducted as it always had been conducted. Nothing new or different was done to keep up with the changing needs of today's consumers. The strategy that worked successfully in the past was the strategy used for the future. The firm maintained a status-quo orientation.

➔ *Improper Handling of the Market.* The market was already saturated or the company over-produced for a limited market or the firm forgot the importance of profit. The company failed to develop itself on a market-by-market basis, whereby the market is a situation characterized by the customers, their needs and problems, and their decision making styles.

➔ *Failure to Introduce New Products or Services.* There was not a continual stream of new or innovative products or means of presentation of current products. Existing products were not revised, bundled, or repositioned in the market.

➔ *Failure to Terminate Products, Product Lines, or Whole Divisions.* When a product or service becomes unprofitable or has a very low profit margin, it must be revived or terminated. Over the long run, the unprofitable elements of an organization can erode total organizational effectiveness.

➔ *Lack of a Favorable or Distinct Image.* The firm developed a poor, inconsistent, or negative image.

➔ *A Sales Orientation.* Too much emphasis was placed on selling and not enough attention was devoted to giving customers what they needed, or even wanted.

- *Overdiversification.* If not handled properly, diversification can be disastrous. After all, diversification does not reduce risk, and a business spread too thin will not be able to concentrate its resources. Competitors who specialize and concentrate their efforts will be formidable.

- *Lack of a Competitive Strategy.* The business did not fully understand its strengths and weaknesses. Therefore a strategy that would give it a competitive advantage in some areas, such as better quality, better product, better service, better price, or better some non-price competitive factor, was not developed. The firm was merely drifting and ineffectively competing in the marketplace.

- *Improper Implementation of the Functions of Business.* The institution was not run like a business. The functions of business, namely management, marketing, production, personnel, and finance, were either omitted or not practiced properly.

Principles Employed in Turnarounds

Notable examples of corporate turnarounds that most customers are familiar with include Sears, Chrysler, *USA Today*, and Coca-Cola (the "old Coke" marketing blunder). Following are some of the principles employed in reversing or turning around a company's position:

- *A new leader was placed in charge.* The new leader or manager was a dynamic individual and not afraid to make things happen — if you are not a professional marketer, hire one.

- *Costs were brought under control.* Drastic cost cutting, layoffs, and closing of divisions followed, but the results were increases in both profits and profitability (return on equity).

- *Marginally profitable products, facilities, and divisions were eliminated.*

- *New production processes and technologies were employed.*

- *New products and product formats were developed or made available for the customers.*

- *The business was given a new image.*

- *The company was able to raise enough capital to see itself through the difficult times.*

- *Management recognized a poor decision and rectified the decision immediately.*

- *Management listened to disenchanted and dissatisfied consumers.*

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