Marketing for Geeks

Traditional marketing in the context of a Small Independent Software Vendor

Comments on “The 22 Immutable Laws of Marketing”

This document originally appeared as a series of daily weblog postings in June 2004:

http://software.ericsink.com/

Each posting is a commentary on a single chapter from "The 22 Immutable Laws of Marketing", a highly recommended marketing book by Al Ries and Jack Trout.

Introduction

01 Jun 2004

I love to play cards. I've spent many hours sitting around a kitchen table playing pinochle, euchre or spades.

But I think my favorite card game is bridge. More specifically, the variant of bridge which fascinates me is called "duplicate". The basic idea of duplicate bridge is that your score is a function of how well you play your cards as compared to how the other teams played the exact same cards.

Just to be clear, let me repeat: In duplicate bridge, you are playing the same cards as your opponents. The luck of the deal is basically eliminated.

You have 13 cards in your hand, so there are 13 "tricks" available to win. If you are dealt excellent cards, there is no particular reason to get excited. Yes, your cards will take lots of tricks, but that's not the point. The issue is whether you take as many tricks as the other people who play those exact same cards. If you take nine tricks but somebody else finds a way to take ten, you lose.

Duplicate bridge is a brutal game. Every small mistake can be very costly. I do like to go to the local bridge club sometimes, but I usually end up in last place. At the end of the evening, I review each hand and figure out what went wrong. Even though I am terribly bad at this game, I still enjoy it because every game is such a learning experience.

I often wonder what other pursuits would be like if they had to operate under the same rules: Resources and context do not change -- the only variable is the ability of the person managing those resources.

These questions become particularly interesting to me when asked in the field of software product management. For a given piece of technology or code, what would happen if somebody else were managing it?

- If I were managing the Delphi[1] product instead of Borland, could I do a better job?
- If Joel Spolsky[2] were managing Vault instead of me, would the product have more users?
- If Sun were to hand the management of Java[3] over to a committee of monkeys, would it be more successful? ☺

[1] http://www.borland.com/delphi/
[2] http://www.joelonsoftware.com/
[3] http://java.sun.com/

Alas, these hypothetical fantasies are not going to happen. That's unfortunate. If ISVs had to play duplicate, we would all quickly learn a lot. First, the sheer volume of our stupid mistakes would be exposed, and we would quickly learn how very bad we all are at product management. And after that, we would start learning the fine points. Instead of just chalking up every failure to the fault of "bad marketing", we would review each decision and figure out exactly where and when we played the wrong card.

We can't play duplicate with our shrinkwrap products, but we can learn the fine points of marketing. Marketing is not some vague and fuzzy realm where only luck matters. There are principles which can be learned and applied.

Al Ries and Jack Trout refer to these principles as "laws". Their book, entitled “The 22 Immutable Laws of Marketing”[4] is one of my favorites. And I couldn't help but notice that there are exactly 22 weekdays in the month of June. So...

During the month of June, I plan to post a brief blurb each weekday. For each of the 22 laws, I will summarize the main point and draw a connection to the software industry. My entries will not be complete discussions of the topic. Interested readers should read the book and follow along.

[4] http://www.amazon.com/exec/obidos/ASIN/0887306667/sawdust08-20/102-5605457-8131319

Law #1: The Law of Leadership

01 Jun 2004

The Law of Leadership affirms the importance of being number one in a category. People usually know who the number one player is, but often cannot even name the number two. Tylenol is obviously the number one brand of acetaminophen. Who is number two?

Ries and Trout also claim that the first player to appear in a category usually ends up being the number one player. There are plenty of good examples of this. Chrysler brought us the first minivan and still leads the category. However, I think the authors overstate the importance of being first, especially in our field. There are just too many exceptions.

- Microsoft Excel was not the first spreadsheet, but it leads that category today.
- Visual Studio was not the first IDE, but it leads that category today.
- Perl was not first completely unreadable language, but it leads that category today. ☺

Anyway, the main point remains: There is a huge benefit to being number one in some category, even if you have to invent a whole new category.

Law #2: The Law of the Category

02 Jun 2004

The Law of the Category says that if you cannot be first in your category, setup a new category. This is really just another way of explaining a concept called "differentiation".

New entrepreneurs tend to think purely in terms of finding a product which is **better** than the competition. But so very often, it is more important to be **different** than to be better. Every difference defines a category. And for each category, somebody is the leader. In other words, a large market is really just a cluster of small markets. Tackle the large market and you will probably lose. Tackle a small market and you might just win.

Don't think of MacOS as the number two desktop computing platform. Instead, think of them as the number one desktop computer in the graphic design category. The difference highlights the category in which Apple is number one.

Note that I am fully aware of the relative size of these two categories. Microsoft is number one in a category which is many times the size of the category in which Apple is number one. Finding a category in which Apple is number one is not an effort to claim equality. Rather, it simply explains who buys Macintosh and what differentiator is important to them.

The point of creating a category is to make sure you and your customers understand what your key differentiation is. What makes you different? To whom does that difference matter? In the minds of those people, **you** are number one.

But do make sure there are enough of those people. Every difference defines a category, but not every category matters. For example, suppose you want to create the number one IDE for programmers who develop enterprise accounting software in Forth. I daresay you won't encounter much opposition in your effort to win this category. However, you won't encounter much revenue there either.

Understanding categories has been critical for SourceGear as we do business in the source control market. People sometimes ask us how we can possibly sell source control tools when CVS is free. The reason is that "open source" is merely one category in the source control space. This market has quite a few categories, and the competition across those categories is minimal. If the customer wants a workflow-based tool, they only look at the tools in that category. If cross-platform support is critical, the customer isn't paying much attention to the Windows-centric products.

Perforce has played this game very well by setting up their own category called "*fast* source control tools". Speed is their differentiator, and they seem to be having a nice measure of success with this approach.

SourceGear Vault plays in the Windows-centric category of source control tools. I don't have data to prove it, but I'm pretty sure that right now we are number one with the collection of people who are using SourceSafe and want a painless transition to something better. We chose our category very specifically.

Ries and Trout are right -- setup a category in which you can be first. But size does matter. Make sure the category you choose is not too large and not too small.

Law #3: The Law of the Mind

03 Jun 2004

The Law of the Mind says it is better to be first in the mind than first in the marketplace.

To be honest, this is not my favorite chapter of the book. The concept of "mindshare" is important, but I don't think Ries and Trout make the point very clearly.

And as long as I'm giving unsolicited advice to marketing legends, let's remove the word "immutable" from the title of this book, okay? How can laws be immutable[5] when there are so many exceptions?

Law #1 says that it is better to be first than it is to be better. Law #3 says that it is better to be first only if doing so is the way to gaining significant mindshare.

Not too far in the future, Tivo[6] will be the perfect example of an exception to both of these laws. They were first in the market. Furthermore, they have enormous mindshare. The Tivo name is like Kleenex. Even though my digital video recorder is not really a Tivo, I still call it one. With that kind of mindshare and having been first in the market, laws 1 and 3 say that Tivo should be dominant and should stay that way for a long time.

But Tivo will lose. It is important to understand these marketing laws, but they are not immutable.

Problems in Measuring Mindshare

Our industry seems to spend a lot of its time either underestimating or overestimating the power and value of mindshare:

- We underestimate the value of mindshare when we try to change the minds of people. Ries and Trout say that "The single most wasteful thing you can do in marketing is to change a mind." I would love to know how much it will eventually cost to convince the world's VB6 programmers to move to VB.NET. The audacity of this move is simply amazing. For any other company in the history of the earth, it would be suicide to try and change the minds of several million of your own customers.
- We tend to overestimate the value of mindshare as well. During the dotcom bubble, venture capitalists sacrificed several billion dollars on the altar of Law #3. Mindshare was sought and purchased at unbelievable premiums. In

[5] http://dictionary.reference.com/search?q=immutable
[6] http://www.tivo.com/

> hindsight, it seems apparent that mindshare which was quickly gained can be quickly lost.

The problem here is that we talk about customer minds without reminding ourselves that not all of those minds think the same way. Remember the marketing bell curve[7]? Changing the mind of an early adopter is cheap and easy. Changing the mind of a conservative or a laggard is expensive and hard. These differences cause us to either overestimate or underestimate the value of mindshare:

- If most of your mindshare inventory is in early adopters, you are in trouble. Early adopters don't stay anywhere very long. Eventually, you **will** lose most of them.
- Your valuable mindshare is among conservatives. It will be very expensive for anyone who wants to take these people away from you.
- If you are a new player trying to gain mindshare, don't be afraid to steal early adopters from your competitor. It's easier than you think. Just remember that the next guy is going to steal them from you.

This is why Tivo will lose. They built enormous mindshare among the early adopters, but never really made it into the mainstream markets of the pragmatists and conservatives. In the end, Tivo will end up in the same place as the dotcoms, at the bottom of the chasm.

[7] http://software.ericsink.com/Act_Your_Age.html

Law #4: The Law of Perception

04 Jun 2004

The Law of Perception says that in the battle between products, perception is more important than reality.

People tend to think that the best product will win. However, as Ries and Trout say, "Marketing is not a battle of products, it's a battle of perceptions." Sometimes the best product does not win.

This concept seems unfair, but it's fundamental and we might as well get used to it. Ries and Trout go so far as to say that "Most marketing mistakes stem from the assumption that you're fighting a product battle rooted in reality. All the laws in this book are derived from the exact opposite point of view."

Subjectivity

The real issue here is that the words "better" and "best" are subjective terms. People have different requirements and preferences upon which they form very different opinions. There are very few absolutes.

One could credibly argue that OS/2 was "better" than Windows 3.x. The 68k chip was better in some ways than the x86 line. But those are perceptions and opinions. In hindsight, we can simply say that **more** people perceived Windows and the Intel chip to be better.

Reality Still Matters

My only gripe with this chapter is that it sometimes tries to convince me that perception and reality are entirely disjoint. They're not. Quite frequently, perception is merely an exaggeration of reality.

Here at SourceGear we've got quite a few servers. We have Windows servers and we have Linux servers. Our internal file server is named "Mufasa". Every once in a while, Mufasa gags for no apparent reason and requires a reboot. I can't remember this ever happening to a Linux box here. This experience has caused me (and others) to perceive Windows as being less stable than Linux. But that doesn't mean I think it is fair to categorically label Windows as an unstable product. After all, our phone system is running on Windows and it never has any problems. There is reality here, but there is exaggeration here as well.

I think it's important to remember the Law of Perception, but I would worry if small ISVs started taking it too seriously. Specifically, let's not just give up on our desire to make our products better choosing instead to spend all our resources on the management of customer perception. The Law of Perception can help us understand when things don't seem to make sense, but it's not so powerful that product excellent doesn't matter.

One Final Thought

The Law of Perception is just one more reason why small ISVs need to get specific as they choose their competition. Don't try to create a "better" product. That strategy is too vague. Instead, try to create a product which is better for a specific group of people with specific problems that are not being solved very well by others. That specific group of people will perceive your product as the best.

Law #5: The Law of Focus

07 Jun 2004

This is one of my favorite chapters. The Law of Focus says that "the most powerful concept in marketing is owning a word in the prospect's mind." This law challenges us to boil our marketing message down to just one idea. If you can teach your market segment to associate your product with a single idea, perhaps even a single word, you can be a market leader.

Count Your Words

When entrepreneurs ask me for advice, I usually ask them to explain their product in 25 words or less. Hardly anybody can do it. The software developer is in love with his product and is unaware of the fact that nobody else is. Ask him to talk about his product and he will give you twenty minutes of rambling love poetry starting with a feature set and ending with a description of some arcane aspect of the product's underlying architecture. The customer has lost interest after the first ten seconds. The wire between your marketing efforts and your customer's mind is an extremely low bandwidth connection. Less is more.

During the dotcom bubble, as we all wasted three years of our lives chasing venture capitalists around like groupies, they taught us one useful concept: The elevator pitch. This is a major step in the right direction. The idea is that you have to explain your product and its benefits in the amount of time you spend in an elevator. In other words, you've got well under a minute. No time for product love poetry.

But the Law of Focus would claim that an elevator ride is far too long.

The Law of Focus would insist that a 25 word description is about 24 words too many.

The Law of Focus demands that we explain our product in one word. Ries and Trout say, "No matter how complicated the product, no matter how complicated the needs of the market, it's always better to focus on one word or benefit than two or three or four."

Examples

- What shipping company comes to mind when you hear the word "overnight"? (Federal Express)
- Which ketchup comes to mind when you hear the word "slow"? (Heinz)
- What insurance company comes to mind when you hear the word "hands"? (AllState)

Each of these companies has used a single idea or word as the basis for its primary message.

For another example, take a look at two of the major wireless phone providers in the United States today. Each of them has carefully chosen just one concept as their message.

- For Sprint, the concept is Clarity. Ten times a week we hear their spokesman clearing up some goofy misunderstanding caused by the unclear calls of one of their competitors.
- For Verizon Wireless, the concept is Coverage. Twenty times a week we hear their spokesman saying, "Can you hear me now? Good!"

These two companies each have plenty of other benefits they could be talking about. They could tell us about their great selection of phones. They could brag about their pricing. They could talk about safety issues. Instead, they have each focused their marketing message around just one idea.

As the chapter says, "The essence of marketing is narrowing the focus. You become stronger when you reduce the scope of your operations."

Crafting Your Message

It's okay to have more information handy. Datasheets and whitepapers are great. Once people get interested, they will probably want all the detail you can provide. But for first impressions, you should tell the world only one thing about your product. You can use 2-3 words as long as you are not trying to sneak in extra ideas. Usually, you need only one word. But which word to pick?

- Pick a reasonably common word out of the dictionary. It should be a word that everybody understands. Don't invent a new word that nobody has ever heard.
- Don't try to associate your product with a word in the customer's mind if that word is already associated with your competitor.
- Don't pick the word "cheap" or any of its synonyms. Very few businesses can thrive while making low price their primary message. Wal-Mart is one of those businesses. Your small ISV is not.
- Don't pick the word "quality" unless you can prove that you care about quality a lot more than everybody else. As Ries and Trout say, "everybody stands for quality. As a result, nobody does."

Sheepish Confession

Among the many violators of Law #5 is SourceGear itself. Shameful as it seems, we built the marketing message for Vault around three ideas, not one:

- Reliability
- Internet-readiness
- Seamless transition from SourceSafe

We've been very consistent about using the same three talking points in all of our advertising materials and presentations. We sometimes vary the way we explain them, but we always work with these same three points.

This campaign has worked out very well for us, but Law #5 says we would be even more effective if we replaced our three-point message with a one-point message. In the future, we will probably move in that direction.

Law #6: The Law of Exclusivity

08 Jun 2004

The Law of Exclusivity says that "Two companies cannot own the same word in the prospect's mind."

It's time to face the facts. Some of these laws seem to have more punch than others. For example, I find the Law of Focus to be a concept with a lot of impact. It's very counter-intuitive, and yet very powerful.

Other laws here seem almost, well ... obvious. These other laws don't seem to deserve their pages quite as much as the great ones like the Law of Focus. I speculate that for some reason, Ries and Trout wanted exactly 22, so they kept adding laws until they got the right number. Too bad. If they had stopped at 21 they could have used some sort of a blackjack theme.

The Law of Exclusivity would have been a candidate for removal. It is fairly intuitive to me that two companies cannot have the same market position.

Still, let's not dismiss this law too quickly. After all, obviousness is not always a reason to ignore a topic. It is obvious that we should all eat better and exercise more, but we don't.

Similarly, marketers do routinely find a way to violate this law. They do a Smart Thing by following the Law of Focus and choosing one key benefit around which they build their product message. Then do a Dumb Thing by choosing the same benefit as somebody else. Almost invariably, they end up beating their head against the wall in futility. It is obvious that we should not try to beat somebody else at their own game. And yet, we often try.

The chapter cites the war between Duracell and Energizer as an example. It is interesting to note that even though the book is ten years old, this war is still going on, with both companies fighting to own the word "long-lasting". I think this is because no other word matters in this market segment. What attribute could possibly be more important in a battery than "long-lasting"? I think these two companies are doomed to an eternity of shouting the same message. Ten years ago, it was apparently clear to Ries and Trout that Duracell was the owner of the word "long-lasting". I'm not sure this seems so clear to me today, but Duracell[8] still has the lead with 46 percent market share to 33 percent for Energizer.

Incidentally, the fact that this book is ten years old actually makes the examples more fun, in my opinion. For example, in the previous chapter, it was interesting to read the authors' perspective on Lotus and compare it to the ten years of hindsight we now have.

---

[8] http://moneycentral.msn.com/content/CNBCTV/Articles/TVReports/P72274.asp

Law #7: The Law of the Ladder

09 Jun 2004

The Law of the Ladder acknowledges that in most market categories, there is actually more than one available slot in the mind of the customer.

The Hierarchy of Categories

In our discussion of the previous laws, we have emphasized the importance being different, the important of finding a subcategory in which you can be #1. However, when you pop the stack frame up one level to the enclosing category, we find that you are ranked on a ladder among the other players.

I claim that my product, SourceGear Vault, is #1 in its category, which I define here as "compelling and seamless replacements for Visual SourceSafe". However, this category is actually just one small subcategory inside a larger one which I might call "basic source control tools". Vault is definitely not #1 in that category. We're just somewhere on the ladder along with a bunch of other products. There is a sister category here called "process-based source control tools". Both of these categories are enclosed in yet another category called "all configuration management tools". That category is enclosed inside another one called "developer tools". SourceGear is a small ISV. The bigger the category, the farther down the ladder we are.

Reading this book, it's easy to get confused about which level of category is being discussed. Does a certain law apply to the whole market, or just to my category, or to my sub-category, or to my sub-sub-category? The fact that this hierarchy of enclosing categories is highly subjective doesn't help. Sometimes a law makes more sense when it is understood to apply to the larger enclosing categories.

For now, let's just remember that every category level has its own ladder.

Three Tidbits about Ladders

1. The mind of the customer can only remember a few rungs. Research indicates a maximum of about seven, and a more practical limit of about two or three. How many brands of toothpaste can you name? How many brands of cola? How many brands of automobiles? Some categories have more rungs than others.

2. The best strategy for you depends entirely on your ranking on the ladder. The right strategy for the #1 player is probably wrong for the #2 player, and vice versa. The authors cite the Avis rent-a-car example, where they gained tremendous results from simply acknowledging their status as #2. This example has been very much-discussed in the ten years since the book was

written, but it still rings with a bell of wisdom. Avis showed a lot of self-awareness. Customers respected that.

3. There is a typical mapping of market share onto ladder position. The authors claim that each rung on the ladder has twice the market share of the rung below it. These guidelines are obviously very rough, and all kinds of exceptions do apply. Still, when we see a ladder where the market share ratios are not even close to this rule of thumb, we are motivated to ask why.

Tomorrow we will talk more about this third tidbit in our discussion of the Law of Duality.

Law #8: The Law of Duality

10 Jun 2004

The Law of Duality says that "in the long run, every market becomes a two-horse race."

Young markets have many rungs on the ladder. They are highly fragmented. Gradually, as the market matures, players disappear and the market settles on exactly two primary players. Examples of this phenomenon are everywhere:

- Coke and Pepsi
- Canon and Nikon
- Nike and Reebok
- GM and Ford
- McDonalds and Burger King

It often takes a long time for things to settle down, but in the end, markets usually give people what they want, which is **two strong choices**. Buyers don't like choosing between ten or twenty players. It's too stressful.

A big reason for this effect is that most people don't make their own buying decisions. People tend to buy what somebody else[9] is buying. Pragmatists buy something only after they see the Early Adopters buying it. Conservatives buy it only after the Pragmatists are buying it. Laggards buy it only when the peer pressure and ridicule is so severe that they look like absurd for not buying it. Market share begets market share, and the rich get richer.

Even as the market gets very mature, it will continue to tolerate the presence of more than two players. However, the top two will have the lion's share of the market. All other players are essentially in niche segments.

Once a market reaches this state, it will generally not allow #1 and #2 to move around. For example, the market will never allow the top two players to change positions. Burger King will never be #1.

Furthermore, the market will not allow #1 to get too far ahead. Just as markets hate having a ten-horse race, they also hate having a one-horse race. When #1 gets too far ahead of #2, the market will usually correct the problem.

---

[9] http://software.ericsink.com/Act_Your_Age.html

The Software Industry

At this point, I assume most of my readers are confused. After all, everything I said above makes virtually no sense at all when we look at the software industry. We don't have two strong choices. Most software market segments are a one-horse race. In many cases, Microsoft is so utterly dominant that there is no clear #2.

- There is no strong #2 desktop operating system.
- There is no strong #2 office suite
- There is no strong #2 developer IDE.

Why do these markets not follow the Law of Duality?

The popular notion today is that Microsoft is an illegal monopoly. I have generally tried to stay out of this debate and I think I will continue to do so. Antitrust law has never made sense to me anyway.

But whether or not Microsoft is a violator of government law, it is clearly a violator of the natural laws of marketing. The current situation in software is not supposed to be possible. The market should have ensured the presence of a strong #2, but it has not.

Even more strange here is the fact that software is still a rather young industry. At its tender age of perhaps three decades, we should expect to still have very high fragmentation. But we don't.

I don't think antitrust law is the answer. It is quite clear that the federal government is no match for Microsoft.

But the market itself still has a lot of power. The Law of Duality may yet show up.

Law #9: The Law of the Opposite

11 Jun 2004

The Law of the Opposite says that the #2 player should generally do the opposite of what the #1 player is doing.

If you are #2 in your category, you want to be #1, right?

Wrong. You can't choose to be #1, but you can certainly choose to be #3 or #4. The worst thing you can do is to try and beat the #1 player at his own game. Instead, realize that not everyone in the market wants to play that game. Offer those people an alternative.

This law is the reason that I humbly assert that Borland's strategy for Delphi is all wrong.

For several years, Delphi had been doing a fine job playing Pepsi to Visual Basic's portrayal of Coke. Delphi is a solid #2 in the market for RAD tools. People **like** Delphi. It's a highly respected tool.

But something has gone terribly wrong. When Microsoft zigged, Delphi should have zagged.

VB .NET is a huge discontinuous change from Visual Basic 6. Even now, around two years later, some VB developers are still mad. Not everyone **wants** to move onto the new .NET platform. Some people need to continue developing traditional Win32 applications for quite a while longer.

I'm not saying that those angry VB6 people would have moved to Delphi. But the Law of the Opposite still applies here. Borland should have immediately shifted its message to be the opposite of the leader: "Delphi -- the Win32 RAD tool that isn't trying to force you into something you don't want to do." ☺

(Yes, yes, I know that Delphi 9 will still have support for native Win32 targets. The point remains: Borland is weakening itself and its message by refusing to focus.)

Interestingly, Borland seems to have repeated this mistake throughout their product line. The result is that I can't figure out what market position they are trying to have. Is Borland a .NET company or a Java company?

Luckily, although their marketing **strategy** team is MIA, their marketing **communications** team has saved the day by coming up with "Excellence Endures". Surely a great tagline will take care of all their problems, eh? ☺

Law #10: The Law of Division

14 Jun 2004

The Law of Division observes that over time, a category tends to divide and become two or more categories.

A new market category starts out very broad. For example, in the beginning of the automobile industry, the only category was "cars". Over time, categories break up into smaller and more specialized subcategories. Today, there are quite a few brands of car, each catering to a specialized niche.

This effect is an obvious and natural consequence of other laws. Each company will try to setup a new category in which it can be #1. Not all of these categories will end up becoming real, but some will.

This law is a good place to remind ourselves that Ries and Trout primarily consult for companies like Pepsi, McDonalds and General Motors, not for small ISVs. There is a bit of an impedance mismatch between their world and ours. Those companies do business in mature industries selling mass market consumer products. Those products are easily interchangeable. I can switch from Pepsi to Coke with no major costs associated with the transition and deployment. Categories split into subcategories over very slight differences in consumer preference. Brand building is absolutely critical. General Motors understands that some car buyers want to feel like they are buying something sporty, whereas others want to feel like they are buying something conservative. So, they sell basically the same car under the Pontiac and the Buick name, managing each of these brands very carefully. The underlying engineering is identical, but the message of these two brands is very different.

Software isn't usually like that. When people are choosing between Dundas Chart[10] and Chart FX[11], brand can be an issue but it is certainly not the only issue. Those two products are not identical under the hood. They are not completely interchangeable. There are significant differences in features.

So the Law of Division still matters, but it happens a lot less. In software, categories don't divide quite as easily as in commodity markets.

But even though categories in software don't usually divide over matters of pure message, they do still divide, especially over matters of greater substance. My own market is a decent example. In the beginning, there was simply "source control". Now, we've got several subcategories which came as the market divided over lines such as platform, process and integration.

[10] http://www.dundas.com/
[11] http://www.softwarefx.com/

Law #11: The Law of Perspective

15 Jun 2004

The Law of Perspective says that "marketing effects take place over an extended period of time", but the basic point of this chapter is that some marketing actions are negative in the long-term even though they seem positive in the short-term.

Short-Term Highs

The authors include an interesting discussion of sales and coupons in the retailing industry. They argue that these devices are like drugs – they produce a short-term high, but the only way to maintain the high is to keep going. Eventually, you have to "keep those coupons rolling out not to increase sales but to keep sales from falling off if you stop." I assume this is the reason that our local furniture store is *always* running a sale – they are afraid of going through withdrawal.

This advice can be applied in a small ISV. Resist the temptation to run short-term special sales. You may increase revenue in the short-run, but you may eventually train your customers not to buy at "regular" prices.

Patience

It is generally understood that public companies are forced into a three-month planning horizon. Earnings must be reported to the public every quarter. If the stockholders are not happy with those earnings, they will sell the stock and its price will go down. In other words, the public is short-sighted, so publicly-owned companies must therefore find a way to be short-sighted as well.

This is one of the things I like about running a privately-held company. We have the freedom to be patient and look a bit further down the road. We don't have to do things which are positive in the short-term and negative in the long-term.

Law #12: The Law of Line Extension

16 Jun 2004

Ouch! Ralph Johnson says[12] I am making "snide" comments about Java marketing. That stings.

Dr. Johnson was one of my professors at UIUC. He had a significant impact on my life, probably more than he knows. He's incredibly smart and he would be a finalist in the Nicest Guy on Earth competition. When Dr. Johnson whispers, it sounds loud, at least to me.

Still, despite the small rebuke from my mentor, I can't quite bring myself to repent. I'm not trying to be mean or arrogant, but my goodness, we're talking about **Sun** here.

"Bummer of a birthmark, Hal"

Asking me not to be critical of Java marketing is like asking me to watch a Jim Carrey flick and only pay attention to the supporting cast. Some things are just too obvious to ignore.

It's fair to observe that everything is relative. Dr. Johnson is talking about Smalltalk marketing, and I suppose Java marketing looks pretty effective from that point of view. Clearly, Java is a big success. It is a mainstream language and platform. However, I remain of the opinion that Java could have been even more.

Remember: Marketing is an iceberg. There is the part of marketing you can see (advertising and communications), and the part you cannot see (strategy). We tend to forget about the part of the iceberg which is hidden under the water.

If I started writing about Sun's mistakes in marketing strategy, it would be an awfully long time before I ran out of things to say. Their marketing communications work is generally good. But in the end, the most tactful thing to say is that Sun is a hardware company trying to do software.

Do you remember the Far Side cartoon with the two deer? One of them has a birthmark on his chest which looks exactly like a bullseye. For someone who writes about marketing strategy, Sun is that deer.

You hurt the ones you love

Please don't pigeonhole me as an anti-Java guy. Yes, I mostly do .NET stuff these days, but I don't get religious about technology. My web server runs Debian. When I

[12] http://www.cincomsmalltalk.com/userblogs/ralph/blogView?showComments=true&entry=3264421651

repave my Windows box, the first things I install are cygwin and emacs. I sometimes write stuff in Python. I've written lots of Java code and I really like it. I'm not mad at Java. If anything, I'm mad at Sun for doing such a fine job preventing Java from realizing its full potential.

Back to the topic at hand

The Law of Line Extension says that it is a mistake to take the name of one product and apply it to another. Companies do this often, but it basically *never* works. We think that the power of the brand will help sell the new product. Instead, the brand itself is tarnished. People start to get confused about what the brand means. Quite often it is necessary to kill the second product before it causes too much damage to the first one.

Confession: SourceGear broke this law when we introduced SourceOffSite Collaborative Edition[13]. We should not have borrowed the name of SourceOffSite[14] for this product. When I critique marketing mistakes, I don't spare myself.

I already wrote about this law back in April when I got all fussy[15] about Golden Oreos. I don't have too much more to say, except...

#ifdef snide

Ever heard of the Java Desktop System[16]? ☺

#endif

---

13 http://www.sourcegear.com/soscollab/
14 http://www.sourcegear.com/sos/
15 http://software.ericsink.com/item_10164.html
16 http://wwws.sun.com/software/javadesktopsystem/

Law #13: The Law of Sacrifice

17 Jun 2004

The Law of Sacrifice says that "you have to give up something in order to get something".

The cool thing about this law is that it's not automatically attractive. It makes you think.

The Law of Focus isn't like that. When people hear about the Law of Focus, the first reaction is to say, "Yes, yes, focus is good." People seem to forget that the word "focus" implies a decision about what you are **not** going to do. With the word "sacrifice", that particular implication is much clearer.

But in some sense, these two laws are the same idea with different expressions. There is power in focus, but to get there, we have to make tough decisions about what things we will **not** do.

Aiming once again at Scotts Valley

I'll give Sun a break today and go back to picking on Borland. Here is a perfect example of a company that can't focus because they're not willing to sacrifice. Their product line is all over the map.

The problem with not having a focus is that your customers can only describe you in terms of your past. Borland's "Excellence Endures" tagline even reinforces this. It's a fine tagline, but it doesn't say much to me about the future. It is a celebration of their 20 years of history.

Borland is a fine company with some great products. But they should be telling us more about their future than their past. In the next five years, what **one** thing will Borland do better than anybody else?

(To be fair, however, we should admit that Borland's marketing may not matter much. Microsoft needs Borland (and Apple, and Sun) to exist in order to give the illusion that their products have competition. In this case, Excellence will continue to Endure, but Mediocrity would suffice since Microsoft will always stop a little bit short of killing them off.)

Saying "No"

The Law of Sacrifice is all about saying "no" to opportunities. This skill is incredibly difficult to learn. I suspect that the only way to learn to say "no" is to experience the pain of saying "yes" too often.

That's how I learned it. SourceGear used to be all over the map. We smiled and described that condition with a positive spin telling ourselves that we were "opportunistic". But life inside the company got pretty confusing. We had several product efforts going on, all unrelated. We had a consulting division doing engagements which were not related to any of our products. When someone asked us "*What does SourceGear do?*" it would take ten minutes to explain. By the time we were done, the elevator had gone back and forth to the lobby three times.

Our revenue was high, but we had no focus. We were in a strategy which was positive in the short-term and negative[17] in the long-term. So we sacrificed. We started saying "no".

At first, it was really hard. People called us for a consulting gig and we turned it down. Even as I write this, it sounds crazy. I said "no" to **money**! What was I thinking?

It took a while, but things got better. A lot better. Today, SourceGear is a focused company, but to get to this point, we had to stop saying "yes" to every opportunity we saw.

[17] http://software.ericsink.com/item_10186.html

Law #14: The Law of Attributes

18 Jun 2004

The Law of Attributes says that "for every attribute, there is an opposite, effective attribute."

Fussy

There was quite an uproar from fans after the recent season finale for Star Trek Enterprise[18]. You see, the episode contained a serious error. One of the characters states that the year is 2152 when in fact, as every Trek fan knows, the current episodes take place in the year 2154.

I've heard several people say that this mistake ruined the whole episode.

I concede the mistake is silly, but come' on -- the whole episode? Perhaps we need a bit of perspective. That date wasn't a central point of the show. It's a detail, and aside from the fact that it was incorrect, it doesn't matter.

Incidentally, guys, this is the reason why your girlfriend or wife doesn't like going to see movies with you. Nobody wants to watch a film with some anal-retentive dork who is ready and waiting to discard the entire film because the producers made a minor mistake in science or technology. Try to just enjoy the movie, or at the very least, shut your pie hole so that she can. (This tidbit of relationship advice is provided at no extra charge. ☺)

Marketing Books

Geeks like us are lousy at marketing for the same reason that nobody wants to see movies with us. Marketing books are written for big-picture thinkers. They contain broad sweeping generalizations which are only true most of the time. Guys like Ries and Trout don't feel the need for a lot of precision.

So a geek sits down to read this book. Somehow he manages to cope with the word "immutable" in the title, which is obviously a gross exaggeration. Somehow he manages to smile at the examples, which are now ten years out of date, especially the one about Lotus Notes. Somehow he manages to overlook most of the little imprecisions in the first 13 chapters.

And then, he reaches chapter 14, the Law of Attributes. The subtitle of this chapter is "For every attribute, there is an opposite, effective attribute." In the mind of this geek, a yellow alert goes off when he sees the word "every". Is this really true? Is there

[18] http://www.startrek.com/

always an attribute which is both opposite and effective? Surely not. Warily, he proceeds.

And then, on the very next page, the authors discuss the market for toothpaste, where Crest owns the attribute called "cavity prevention". Something in the mind of our geek snaps. 'How can there be an attribute which is the opposite of "cavity prevention" and which is effective? Ha! I knew it all along. This book is a crock!'

The book sails across the room in a high arc as the geek stomps off in disgust, no doubt on his way to sign the online petition to have Enterprise canceled because T'Pol couldn't remember what year it is.

Choices

I can't defend the book. This stuff bugs me too. I want marketing to be as logical and precise as programming. But it's not.

So if this problem **really** bothers you, then you have two choices:

1. Give up on marketing completely.

2. Give up on this chapter and hope the next one is better.

I encourage you to choose option #2. I'm trying to make the world a better place here. The gap between technology people and marketing people must be bridged. If you give up on getting clueful about marketing, then you are implicitly saying that you expect marketing people to get clueful about technology. We both know that's not going to happen, so stay with me.

Oh, and by the way...

Read the chapter. It's a bit redundant with respect to chapters 9 and 13, but the discussion of Burger King and McDonalds is interesting.

Law #15: The Law of Candor

21 Jun 2004

The Law of Candor says that "when you admit a negative, the prospect will give you a positive". As usual, the examples from the book are mainstream consumer products:

- Listerine did it when they acknowledged that their mouthwash tastes terrible.
- Avis did it when they acknowledged that they are #2.
- Volkswagen did it when they acknowledged that the "bug" is ugly.

Each of these companies gained a lot when they applied the Law of Candor. People respect the courage and honesty it takes to admit that not everything is perfect.

Being Genuine

The Law of Candor is another one which is simply not intuitive. Most marcomm people are terrified of it. Conventional wisdom says that absolutely everything in your marketing message must be positive. In fact, a primary function of the marcomm team is to sanitize all public statements ensuring that the company never says anything it does not want to say.

The rules of "marketing speak" are fairly well understood around the world. All marcomm teams speak this dialect as their first language, which means that all marketing teams sound basically the same. Almost every press release starts out with a bunch of mumbo jumbo that nobody ever reads: "Fiddlesticks Corporation, the leading provider of useless crapola, announced today that it is incorporating XML Web Services technology into its line of coffee mugs."

In 2004, it takes a very "special" kind of marketing person to actually believe that customers cannot see through this kind of spin. People today are being bombarded with so much advertising that traditional marketing is less effective than ever before. Sanitized press releases are out. Transparency[19] is in. Drowning in a sea of marketing mumbo jumbo, people admire companies that choose to be genuine.

An example from here at SourceGear: Most of our sales are "direct", but we do sell through a number of resellers as well. I don't usually think of our resellers as terribly strategic, since they account for a very small percentage of our sales. However, lately I find myself wondering why SourceGear doesn't sell through Xtras.net[20]. Why am I wondering this? Because their CEO has a blog[21], and a darn good one. I can't say that

[19] http://radio.weblogs.com/0001011/2004/06/20.html#a7831
[20] http://www.xtras.net/
[21] http://blogs.xtras.net/mikes/PermaLink,guid,daa1e487-18b5-4080-8141-536f600b0ab7.aspx

I agree with everything he says, but the fact remains: His choice to be genuine makes me *want* to do business with his company.

Credibility

Ignoring the Law of Candor can kill your credibility. Whatever your negative issue is, everybody already knows about it anyway. If you don't talk about it, then it will become "the elephant in the room". When you issue yet another sanitized press release, your customers eagerly read it, hoping to see some evidence that you have any self-awareness at all. They ask themselves, "Don't these people realize how awful their mouthwash tastes?"

As Ries and Trout say in the chapter, "Every negative statement you make about yourself is instantly accepted as truth. Positive statements, on the other hand, are looked at as dubious at best."

These dynamics are going on right now for me with respect to SourceGear Vault, our source control product. A few weeks ago, Microsoft announced Team Foundation Server, a really cool source control system which will be shipping sometime next year. It's not too hard to figure out that this announcement was not good news for SourceGear.

On the day of the Microsoft announcement, I posted some remarks[22] about Team Foundation Server here on my weblog. While nothing on my blog is truly written in "marketing speak", this post was very positive, almost to the point of being sanitized. And not surprisingly, a lot of people didn't believe me when I said that SourceGear is going to be okay.

Well, it would be silly for me to write about the Law of Candor today without saying more on this topic. So, I've decided to "practice what I preach" by making some more remarks about The Future of SourceGear Vault[23].

[22] http://software.ericsink.com/item_10169.html
[23] http://software.ericsink.com/item_10192.html

Law #16: The Law of Singularity

22 Jun 2004

The Law of Singularity says that "in each situation only one move will produce substantial results".

We literalists will once again have to endure the authors' word choice. The above statement is almost certainly not true. ☺

And yet, Ries and Trout make two important points in this chapter, which I will paraphrase as follows:

- One bold stroke is much better than a bunch of small marketing efforts.
- Marketing is too important to be left to the marketing people.

One Bold Stroke

The pattern is fairly common. I call it "The Infinite Loop of Marketing Despair":

1. The product is languishing.
2. People start asking what to do about it.
3. Somebody says, "We just need to do more marketing."
4. The marketing team gets in a conference room and brainstorms.
5. They come up with ten new ideas and begin executing them all.
6. Go back to step 1

Part of the problem here is the assumptions we make about the total result we will get from a list of marketing ideas. We make our list in Excel and for each item we calculate the results that item will generate for us. And then, at the bottom, we enter SUM(B2:B11). This is our mistake. The proper estimate for the total result is closer to MAX(B2:B11).

The problem is that awareness-building efforts tend to overlap by reaching the same people. We run banner ads. We run magazine ads. The same person sees both ads. Is that guy going to buy our product twice just because he saw both ads?

The success of our marketing campaigns is defined by the best idea on our list, not the length of that list. Nonetheless, we continue to make our lists because "Somebody" said we need to do more marketing, and we definitely have to make that Somebody feel better.

The way out of this loop is to find something completely different. Stop looking for a bunch of ways to increase awareness. Markets are won with strategy, not tactics. There is no way you are going to win this war by simply doing more of what you are doing now.

Too Important

Marketing is too important to be left to the marketing people.

The true cause of "The Infinite Loop of Marketing Despair" is Mr. Somebody, the guy in step 3 who apparently believes that throwing more money at the marketing team will actually solve problems.

In the chapter, Ries and Trout are basically saying that Mr. Somebody is "management". They argue that "management can't afford to delegate important marketing decisions".

For my purposes, I write for the technical geek. Maybe you're the founder of your small ISV. Maybe you're a lead developer who cares about the success of your product. Whoever you are, I would encourage you to step up and be Mr. Somebody. But don't just push for "more marketing". Help your organization find the one bold stroke that will make a real difference.

Law #17: The Law of Unpredictability

23 Jun 2004

The Law of Unpredictability says, "Unless you write your competitors' plans, you can't predict the future."

But that doesn't seem to be the main point of this chapter. What the authors are really saying is that long-range planning doesn't work. We can try to observe and follow trends. We can make big-picture predictions. But if we try to make detailed plans over the long term, our competitors will surprise us and those plans will end up getting scrapped.

I suspect this chapter is a lot more necessary for people like Pepsi and Burger King. Those guys probably do get tempted to make long-term plans. But in software, things move so fast that most of us wouldn't even think of trying to make any sort of detailed plan for a five year horizon. There are exceptions, but in general, the mere notion is absurd.

Nonetheless, although we intuitively know that long-term planning won't work for us, we don't always invest in the alternative. As Ries and Trout say, "One way to cope with an unpredictable world is to build an enormous amount of flexibility into your organization."

Flexibility is so critical in our industry, especially for a small ISV. Structure, planning and process have their place, but at the end of the day, your small ISV will probably survive largely on the basis of how well you can adapt to change.

Take the energy you would have used on long-range planning and use it to make sure your company is flexible.

Law #18: The Law of Success

24 Jun 2004

The Law of Success says that "success often leads to arrogance, and arrogance to failure".

The basic point of this chapter is a warning to not let yourself get too far from your customers. Truly small ISVs may not need to worry too much about this, but the admonition is valuable nonetheless.

As companies grow, the CEO tends to get busy with other stuff. She doesn't spend much time "in the trenches" anymore. He goes to a lot of meetings and spends a lot of time working on the big picture. In the process, she loses touch with the customer.

Despite what the chapter says, I think this effect may or may not be rooted in arrogance. The root problem might be simpler and more innocent. Maybe the CEO simply let himself get too busy. It seems quite possible to become detached from the basic activities of the company without growing a big ego.

But either way, forgetting the customer is a fatal disease. Fortunately, this disease is also preventable and treatable. Don't let it happen to you. Even as your company grows, stay involved in the basic stuff, at least a little bit.

- When you go to a trade show, spend some time in the booth talking to prospective customers.
- Answer a tech support call.
- Write some code.
- Help with the testing before the next release.

Don't get out of touch. When you do, you'll start to make bad marketing decisions.

Law #19: The Law of Failure

25 Jun 2004

The Law of Failure says that "failure is to be expected and accepted".

Nothing interesting ever happens unless we take risks. The authors encourage an atmosphere of risk-taking with a good discussion of why individuals tend to be afraid of taking risks.

The chapter also includes another important point: **When you realize you've made a mistake, cut your losses.**

It's just so hard to admit a mistake. Denial is a wonderful thing.

In his book[24], Barry Moltz busts the myth that persistence is the most important thing for an entrepreneur. Moltz claims that winners are people who know when to quit.

I completely agree. We need to give ourselves the freedom to take risks and try a lot of different things. But the obvious corollary here is that not all of those risks will work out. We need to learn to quickly recognize the ones that don't and take the appropriate action.

I could write lots of stuff about the topic of risk-taking, but I already have[25]. ☺

---

[24] http://software.ericsink.com/item_10161.html
[25] http://msdn.microsoft.com/library/default.asp?url=/library/en-us/dnsoftware/html/software12292003.asp

Law #20: The Law of Hype

28 Jun 2004

The Law of Hype talks about the fact that "history is filled with marketing failures that were successful in the press".

This chapter talks primarily about new things which claim to make existing things obsolete. Such products tend to become darlings in the press, because the notion of breakthrough innovation is very attractive to readers. People love to read stories about things like the personal helicopter which was supposed to make cars obsolete several decades ago. So the press jumps on the bandwagon, stories get written, newspapers get sold, and people get excited. And they still drive their cars to work everyday.

What I love about this chapter is that it was written in the early nineties, before the Web, and it still rings amazingly true. The Web was supposed to obsolete almost everything. Today we can see that the Web has changed life in many ways, but most of the previous structures and systems are still with us.

There are lots of examples in the chapter, all of them prior to 1994. Polyester did not obsolete wool. The videophone has now been getting press for 40 years, but most people still use a plain-old audio phone. Compare those examples to the over hyped things of the last ten years. Webvan came, and I still shop at a grocery store. The Segway came, and I still drive my car. Amazon came, and I still go to the Borders store near my home. The truth is that fundamental change doesn't occur so easily. Even when the innovation is quite real, people are not quick to give up existing mainstream products and services.

The chapter doesn't mention this, but I think the venture capital industry deserves as much blame for excess hype as the press. Perhaps even more than magazine readers, VCs love the idea of a product which obsoletes existing mainstream products. They need high-risk/high-reward investments. Convincing a VC that your product will make cars obsolete is a great way to get funded. If we are upset about the level of hype in our world (and I'm not saying that we are), the press and the VCs are equally guilty.

The vast majority of companies thrive and make a profit in a world which is completely disjoint from the one where the VCs and the press live. They don't spend their time convincing investors and reporters that their product will change the world. Instead, they spend their time convincing customers that their product is a good purchase. It's very difficult to do both – that's why the companies you see on the front page are often dead within a few years, while the companies making real money are the ones you hardly ever hear about.

It's a choice between fame and fortune. Rare is the product which achieves both. So, the important thing here is for entrepreneurs to see both paths clearly and make a conscious choice. For small ISVs, it is inconceivable to me that the path of hype is the wise choice. Find something boring and profitable.

Law #21: The Law of Acceleration

29 Jun 2004

The Law of Acceleration says that "successful programs are not built on fads, they're built on trends".

Drawing their examples from mainstream consumer products, the authors observe the tendency for companies to overestimate short-term fads. When something new becomes big and hot, companies jump on the bandwagon, spending a lot of money doing so. They restructure. They invest in new equipment. They work hard to make themselves prepared to deliver products for the fad.

And then the fad stops, and the company is left with problems:

- "What am I going to do with all the olive green refrigerators and orange carpeting I bought just before the fashion changed?"
- "Oh, great -- I can produce fifty gazillion Cabbage Patch dolls per day. That'll come in handy now that nobody wants them anymore."
- "Darn it! I just bought a warehouse of fruit-colored translucent plastic, and now I find that the *next* iMac looks like a white desk lamp."

Fads accelerate very quickly, but often don't last long. Trends have a much slower acceleration but eventually run fast and steady. Chasing fads is expensive, so it becomes very important to learn how to distinguish them from actual long-term trends.

This discernment is particularly important for small ISVs. We are constantly being presented with new technologies, new protocols, new formats, new platforms, new components and new APIs. Which ones will be strong in five years? We want to know if we will eventually regret building our apps on a given piece of technology.

I'm not sure this issue has ever produced questions more difficult than the ones we are facing today, such as:

- **Web applications**: Is this a real long-term trend? Will it *ever* be possible to create rich apps with HTML? Will Microsoft succeed in using its control of the desktop to kill this trend?
- **Web Services**: Is this fad going to become a trend or not? We loved Web Services because they were simple, but they're getting less simple[26] all the time.

[26] http://primates.ximian.com/~miguel/archive/2004/Jun-27.html

- **Windows Forms**: Microsoft wanted me to get off MFC and onto Windows Forms. Now they want me to get off Windows Forms and onto Avalon. Doesn't *anybody* have an available API which is not planned for deprecation?

These may not seem like marketing decisions, but they are. Technology choices have big marketing implications. When you choose a platform, you define the maximum size of your market.

I can't answer the questions above, but I will repeat one thing I've said before: The technologies from the previous wave still work. If you want to be an INETA speaker, yes, you need to be current with the very latest stuff. But if you are building products or solutions to be used today, there isn't any shame in choosing a platform and toolset which has completely proven itself as more than a fad.

Law #22: The Law of Resources

30 Jun 2004

The Law of Resources says that "without adequate funding, an idea won't get off the ground". The gist of the chapter is that marketing is very expensive and you have to be prepared to spend big bucks on advertising if you want to be successful, so you're going to need a lot of funding from your VC.

Preaching these ideas to small ISVs is like showing up at your local Alcoholics Anonymous meeting and telling everyone that a little red wine every day helps the heart.

Like most of my marketing articles, this series has been about taking the best stuff from the world of marketing and applying it in a small ISV. Some stuff works well in our context, and some stuff does not. My goal is to help make a clearer distinction between these two categories. Sometimes I shine a bright light on something which simply isn't going to be a good fit for most small ISVs.

Chapter 22 is one such example. Strictly speaking, the advice in this chapter is all true. Marcomm is expensive. Grabbing mindshare costs a heckuva lot of money.

But that that doesn't mean everybody should go get funding and start running ads. Magazine ads and venture capitalists are two of the most common ways to kill a small ISV.

`#ifdef tangent`

I'd like to express my affectionate concern for NewsGator[27], who announced the closing of a round of VC funding[28] last week. I met Greg Reinacker a couple of trade shows ago. He seems like a good guy. I use his product every day. I admire what he has accomplished with NewsGator.

On the one hand, I am excited for Greg and the opportunities he can now explore with deeper pockets. I also see this funding announcement as a very nice sign of momentum for blogging and RSS.

However, I am concerned. I worry that Greg has taken the first step of converting his excellent small company into a lousy big one. I'm not saying that VC money is *always* a bad decision. But just because a company is a wonderful success at one level does not mean it can be a success at a larger scale. Once you take the VC money, you can never go back. Some companies lose[29] their stride[30] as they try to force themselves through the transition from small to big.

---

[27] http://www.newsgator.com/
[28] http://www.newsgator.com/news/archive.aspx?post=40
[29] http://www.eveandersson.com/arsdigita-history

If this happens, I'll be okay, since I can easily find another RSS reader. But Greg will have lost something precious.

`#endif`

Even in companies with huge resources, chapter 22 is likely to serve as ammunition for the marcomm guy who is always trying to convince you to spend more money. He will quote chapter 22 as if it were scripture, trying to make you feel guilty for underfunding your marcomm efforts.

But the real problem is in taking chapter 22 out of the context of the rest of the book. This chapter is the last one in the book, and for a good reason – it depends on the other 21. Marketing has two phases[31], strategy and communications. No matter how much money you have, don't spend money in the communications phase until your strategy stuff is done and solid.

---

[30] http://www.waxy.org/random/arsdigita/
[31] http://software.ericsink.com/Marketing_for_Geeks.html