Why Great New Products Fail





TheCaseSolutions.com Microsoft Zune

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Cross Contamination - Mixing Two Successful Products Into One Big Failure The Contamination of the Big Failure The Big Failure

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4.Fixing What Ain't Broken

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1. Timing

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3.Prohibitively Strong Branding

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2. Not Living Up To The Hype

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3.Prohibitively Strong Branding

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In some cases, a luxury product that's been in planning stages for years is set to launch just as a major recession is starting. This was the case with the Ford Edsel. The Edsel has become synonymous with failure, and it is well known as a marketing catastrophe, but the 1958 recession certainly played a large part in its undoing.

Sometimes a product is just "ahead of its time" and the market for it just doesn't exist, like the precursor of PDA devices, the Apple Newton MessagePad. This kinda-clunky PDA had a few shortcomings - most famously, its inability to live up to the claim of understanding handwriting - but more than that was its release at a time when paying \$700US for a PDA seemed absurd.

2. Not Living Up To The Hype

There's nothing worse than when the public feels like they're being tricked. This happens when something has hyped-up marketing, but the product is pretty ho-hum. It's another reason why the Edsel failed, as Ford had positioned it as a cutting-edge new automobile, but the public saw it as more of the same for a higher cost. This poor positioning cost Ford \$350 million, a huge sum in 1959.

McDonald's fell prey to this as well with their release of the Arch Deluxe menu in the 90's. No one was fooled when Mickey-D's claimed to have moved to the "fine dining racket" by slapping a tomato on top of a burger.McDonald's reportedly spent \$100 million on advertising the failed line. For another example, don't forget the Windows Vista saga.

3.Prohibitively Strong Branding

A strong brand can be a blessing and a curse. Consumers trusted Colgate for toothpaste, but it didn't make sense when that name was put on the Colgate Kitchen Entrees. Connecting the taste of food and toothpaste was off-putting for the consumer. With the McDonald's Arch Deluxe fiasco, McDonald's name was too strong as a value burger joint for anyone to take the "dining for adults" line seriously.

4. Fixing What Ain't Broken

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5. Cross Contamination - Mixing Two Successful Products Into One Big Failure

It seems counter intuitive that combining two successful products or companies can somehow bring about disaster, but it happens. Just think of the combo of peanut butter and jam in one bottle or Kellogg's disastrous milk-with-cereal packaging campaign Cereal Mates.

Another example is the recently failed merger: AOL Time Warner. Though the AOL Time Warner debacle had a lot to do with management, timing and meshing of company culture, it goes to show that taking two successful things and combining them can lead to unmitigated disaster.

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Virtual Boy
The Virtual Boy was a total
failure because of its poor
"3D" graphics and
uncomfortable playing
positions. It was discontinued
less than a year after its
release.

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