

# Asking the Right Questions: Ignoring Good Advice



By Anthony Raissen

How many times have you thought, “I wish I could ask an expert for advice,” on a specific subject? I bet the answer is hundreds of times. Now for the next question. How many times have you listened to and acted upon the advice given to you by an expert? The answer probably comes as a surprise to you.

As a retail marketing consultant to countless companies and entrepreneurs during the past 20 years, it is astounding how smart people seek out expert advice — often paying dearly for the advice — and then ignore it. I have started referring to these types of people as “Ask Holes.”

As I write, I am sitting on a five-hour flight after a two-day brainstorming session with a client and its marketing team, reflecting on the amount of material we covered and how energized everyone was at the end of the end of the workshop. That’s until the executive team came to the conclusion, that — even though the conclusions that we had reached were backed by sound rationale and analytics — it was not going to follow the recommended path.

How is it possible that the client could be so closed minded? Did the executives go through the exercise just to appear as if they wanted to get different opinions? I believe it is the latter. Some of the topics we had covered are critical to any successful retail product introduction.

## Competitive Products

As they say in the classics: keep your friends close and your enemies closer. I use this analogy when researching products before taking them to retail. Far too often, entrepreneurs ignore the obvious and jump right into creating a product without thoroughly reviewing what else is already available. They assume that just because they have not seen or heard about a specific product, that it does not exist and there is no competition.

The Internet can be a fantastic resource for tracking down new and innovative products. Use it wisely. Additionally, visit boutiques and swap meets, as many entrepreneurs lack the funding or sophistication to take their products to traditional retail channels.

## Market Size

I am often astounded when I meet prospective clients and ask them how big the market is that they are planning upon entering. Believe it or not, on average, they tell me that the current market is five to seven times larger than it really is — not because they want to impress me with the

market potential, but because they have not done their homework. Do not confuse market potential with market size; they are very different.

## Pricing Strategies

The overriding factor in determining your price point is the willingness and ability of consumers to purchase your product. A number of key factors must be considered:

- **Availability of substitute products.** The more substitutes, the more competitive you need to be.
- **Necessity for the product.** The more necessary your product is, the more someone will pay for it.
- **Percentage of income.** The higher the percentage of a consumer’s income that your product represents, the more competitive the pricing needs to be.
- **Brand loyalty.** The stronger the loyalty to a competitive product, the harder it is to price your product.
- **Who is paying.** If the purchaser is directly responsible for paying for the product, then the price becomes much more of a barrier. When products are expensed through corporate accounts, the price is less of a hurdle to overcome.

## Promotions

A key factor contributing to the success of a product is the ability to create promotions and excitement around the product. Most consumers make their purchasing decisions only once they enter the store. In fact, up to 75 percent of in-store purchases today are made only once the consumer enters the store. Keeping this fact in mind is critical when developing in-store promotions and events.

Take the time to fully digest and understand what it is you want to accomplish and how you can successfully achieve your goals. Listen to sound advice, and if you don’t like the advice you are given, get a second opinion. It is good to be cautious, but bad to be arrogant and think you have all the answers. ■



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