

# THE 22 IMMUTABLE LAWS OF MARKETING

Violate Them At  
Your Own Risk

AL RIES & JACK TROUT

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**MAIN IDEA**

It's basic human nature to assume that anything is possible. In a field like marketing, for example, most people would readily agree with the idea you can achieve any marketing objective that can be named if you're energetic enough, creative enough and if you have enough time and money.

Yet in the real world if you attempt to construct a new building ignoring the laws of nature (like sound engineering), you're going to fail no matter how good your intentions. The same applies to building a marketing program. If you violate the 22 Laws of Marketing (either intentionally or inadvertently), your marketing program is doomed to fail, irrespective of everything that may be done or every resource that may be thrown at it.

In essence, the 22 Laws specify what will work in marketing and what doesn't. As such, the laws govern marketplace success or failure. Marketers and business managers can either learn these laws and work within their framework, or the laws will automatically be working against them.

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### **Law # 1 -- Leadership**

**It's always better to be first to market rather than waiting to get to market with a better product.**

There is always a significant first mover advantage in business, but this is particularly true in marketing. Getting into the mind first is always easier to achieve than convincing a prospect you have a better product than the one that did get there first.

The reasons for this are:

1. There is a natural human tendency for people to stick with what they've got.
2. The first brand to market generally has an opportunity to become a generic term for that product category -- and making it even harder for competitors to gain a foothold.

Despite that, most companies tend to pursue a "better product" style business strategy -- watching for evidence a market is

there and then trying to develop something better than their competitors are presently offering.

A far more productive approach would be to spend more time trying to develop an entirely new category altogether.

*"The latest and hottest subject in the business management field is benchmarking. Touted as the 'ultimate competitive strategy', benchmarking is the process of comparing and evaluating your company's products against the best in the industry. It's an essential element in a process of ten called 'total quality management'. Unfortunately, benchmarking doesn't work. Regardless of reality, people perceive the first product into the mind as superior. Marketing is a battle of perceptions."*

– Al Ries and Jack Trout

*"The basic issue in marketing is creating a category you can be first in -- not in convincing people you have a better product."*

– Al Ries and Jack Trout

### **Law # 2 -- The Category**

**If it's impossible to be first in a category, invent a new category in which you can be first to the market in.**

It's not as difficult to find a new category -- in which you can be first to market -- as it might appear at first glance. There are a number of different ways to be first, because prospects have an open mind when it comes to new categories.

In fact, the attraction of "new" far outweighs the comparative attraction of "better". It's more important to think categories than to worry about brands. Consumers are often defensive about their preferred brands, but open to thinking about a new product in an entirely different category.

Therefore, the best marketing strategy of all is to be first into the market in a new category -- and then promote that category intensely. In essence, you'll have no competition whatsoever, and your marketing can focus on promoting the reasons why consumers should buy a product in that category -- which by

happy coincidence will mean they have to buy from you since you happen to be the only company currently supplying products in that category.

*"When you launch a new product, the first question to ask yourself is not, 'How is this new product better than the competition?' but 'First what?' In other words, what category is this new product first in?"*

– Al Ries and Jack Trout

*"Are the laws of marketing difficult? No, they are quite simple. Working things out in practice is another matter, however."*

– Al Ries and Jack Trout

*"Billions of dollars have been wasted on marketing programs that couldn't possibly work, no matter how clever or brilliant. Or how big the budgets. Many managers assume that a well-designed, well-executed, well-financed marketing program will work. It's not necessarily so."*

– Al Ries & Jack Trout

### **Law # 3 -- The Consumer's Mind**

**It's better to be first in the mind of the consumer than to be first in the marketplace.**

Being first in the mind of the consumer is everything in marketing. Being first into the marketplace is important simply because it makes it easier to get to the consumer's mind before anyone else.

Marketing is a battle of perceptions, not products. Therefore, what prospects are thinking is actually more important than what is actually occurring in the marketplace. Once a person's mind is made up, it can't be changed.

Therefore, blasting your way into the consumer's mind is the most efficient and most productive way to approach marketing. If you try and worm your way in, it's unlikely you'll make a big enough splash to be noticed. People don't like to change their mindset once they perceive a product or service one way or another.

The conventional marketing path to the consumer's mind has been to spend tons of money. However, when you're working with an open mind, even a small amount of money can be highly effective.

The perception that spending more money is the answer to all marketing questions is, in fact, incorrect. Sometimes, huge marketing budgets can achieve fabulous success, while at other times, huge marketing budgets generate virtually no orders whatsoever. Therefore, finding an open mind should be the key focus.

*"The single most wasteful thing you can do in marketing is try to change a mind."*

– Al Ries & Jack Trout

*"More money is wasted in marketing than in any other human activity (outside of government activities, of course)."*

– Al Ries & Jack Trout

**Law # 4 -- Perception Marketing is never a battle of products. It is always a battle of perceptions.**

Contrary to popular opinion, the best product does not always win in the marketplace over the long haul.

The belief that the best product will ultimately win is an illusion -- if for no other reason than because deciding what is the "best" product is a subjective judgment call rather than an objective, scientific process.

The most successful products focus instead on creating the right perception in the mind of the prospect. Most people will form their entire perceptions on the basis of a minute amount of experience -- and frequently not even their own experience but someone they know. On that sliver of information, they will quite readily declare a universal truth.

Marketers who don't understand this law frequently try and get the "truth" on their side -- that is, they look at the product as the hero of the marketing initiative and use factual comparisons to highlight why their product is superior to anything else available.

*"Most marketing mistakes stem from the assumption that you're fighting a product battle rooted in reality. All the 22 laws of marketing are derived from the exact opposite point of view."*

— Al Ries & Jack Trout

*"Truth is nothing more or less than one expert's perception. And who is the expert? It's someone who is perceived to be an expert in the mind of somebody else."*

— Al Ries & Jack Trout

*"Only by studying how perceptions are formed in the mind and focusing your marketing programs on those perceptions can you overcome your basically incorrect marketing instincts."*

— Al Ries & Jack Trout

**Law # 5 -- Focus**

**The key to success in marketing is to find an effective way to come to own a word in the mind of the prospect.**

The Law of Focus suggests marketing is like a magnifying glass -- you use it to focus your messages until you "burn" your way into the mind of the prospect, and link your product with one single word or concept. Achieve that, and whenever that word or concept comes up, the prospect thinks of your product or service.

In finding that word:

- The simpler the better.
- You can't focus on any word that doesn't have proponents for the opposite point of view. (For example, you can't own the word "quality", because everybody stands for that and nobody stands for "the lack of quality".

- The narrower and more precise the focus, the more you will achieve.

- The most effective words are benefit oriented.

In marketing, it's always more efficient -- even for complicated products -- to focus on one word or benefit, and make that the emphasis of everything the company does.

*"The essence of marketing is narrowing the focus. You become stronger when you reduce the scope of your operations. You can't stand for something if you chase after everything."*

— Al Ries & Jack Trout

*"When you develop your word to focus on, be prepared to fend off the lawyers. They want to trademark everything you publish. The trick is to get others to use the word. To be a leader you have to have followers."*

— Al Ries & Jack Trout

**Law # 6 --Exclusivity**

**No two companies can own the same word in the mind of the prospect or customer.**

If a competitor already owns a word, don't try and attempt to own the same word. Instead, find a different, unique word you can focus on owning.

In fact, if you try and steal the word owned by a competitor, your marketing efforts will end up reinforcing their position.

Some marketers propose that if you spend enough money (preferably with them), you can come to own the idea someone else currently owns. Invariably, this ends up being a waste of resources. People don't like to change their minds -- and will only do so infrequently if at all.

Therefore, you're always going to be far better off working towards owning a name that no one else in the marketplace owns.

**Law # 7 -- The Law of the Ladder**

**The marketing strategy you should use will be dependent on which rung of the ladder you occupy.**

Visualize a ladder of product perceptions for your industry in the mind of your prospect. Which company is perceived as being number 1 in your field? Which is No. 2? Which is No. 3?

Once you know that hierarchy, you can then vary your strategy to take advantage of your current position -- as opposed to suggesting that you deserve to be No. 1 all the time.

In some product categories (such as automobiles or products used every day), that ladder can have seven rungs. In other product categories, the ladder may have just two or three rungs.

An effective marketing strategy deals realistically with your current position on the ladder, and uses that to best effect. To do otherwise is to miss out on all the opportunities that are available.

### **Law # 8 -- Duality**

**Over the longer term, every marketing battle eventually becomes a two horse race.**

For new product categories, there are often a number of rungs on the mental ladder. With the passage of time, however, it inevitably comes down to a struggle between two major players, with everyone else having only supporting roles.

With this in mind, companies that do not dominate their industries should be working hard towards establishing themselves as a strong No. 2. That will position them advantageously for the years ahead.

Similarly, companies that have no hope of becoming No. 1 or No. 2 in their industry should instead focus on niches they can fill profitably.

As time goes on, and industries mature, customers get educated about which brand is the most successful. Ultimately, consumers fall into the trap of thinking of marketing as a battle

of products rather than a battle of perceptions. They then believe there must be some viable reason why the leading brands sell more. In this way, the entire market set-up becomes a self-perpetuating cycle.

*"Only businesses that are No. 1 or No. 2 in their markets could win in the increasingly competitive global arena. Those that could not were fixed, closed or sold."*

— Jack Welch, CEO, General Electric

*"We repeat: The customer believes that marketing is a battle of products. It's this kind of thinking that keeps the two brands on top: 'They must be the best, they're the leaders'."*

— Al Ries & Jack Trout

*"The mind is selective. Prospects use their ladders in deciding what information to accept and which information to reject. In general, a mind accepts only new data that is consistent with its product ladder in that category. Everything else is rejected."*

— Al Ries & Jack Trout

### **Law # 9 -- The Opposite**

**If you're aiming for second place in the industry, your best strategy is determined by the leader.**

An effective No. 2 in any product category analyzes where the leader is strongest -- and positions itself to offer whatever is the opposite. By so doing, the No. 2 is taking business away from everyone else in the field, thereby cutting out all other competition.

By attacking the No. 1 and offering the opposite, a No. 2 presents itself to the market as the choice for people who, for one reason or another, prefer not to do business with the No. 1 company. This is a far better approach than attempting to emulate No. 1.

In essence, then, it's always going to be more productive to be different than to be better. In most product categories, the marketing battle usually comes down to the "old faithful" brand versus the "market upstart".

*"Marketing is often a battle for legitimacy. The first brand that captures the concept is often able to portray its competitors as illegitimate pretenders."*

— Al Ries & Jack Trout

*"A good No. 2 can't afford to be timid. When you give up focusing on No. 1, you make yourself vulnerable not only to the leader but to the rest of the pack."*

— Al Ries & Jack Trout

*"When a company makes a mistake today, footprints quickly show up on its back as competition runs off with its business. To get the business back, the company has to wait for others to make mistakes and then figure out how to exploit the situation. So how do you avoid making mistakes in the first place? The easy answer is to make sure your programs are in tune with the laws of marketing."*

— Al Ries & Jack Trout

### **Law # 10 -- Division**

**Over a period of time, most categories will divide into numerous segments, each acting like a category.**

Each new segment will generally have a rationale for existence, a market leader (who will generally be quite different from the category leader) and completely different market dynamics.

Most frequently, the market leader in each segment will be different from the category No. 1 -- unless the category leader successfully develops a new brand for each segment that emerges.

*"Instead of understanding this concept of division, many corporate leaders hold the naive belief that categories are combining. 'Synergy' and its kissing cousin the 'corporate alliance' are the buzzwords in the boardrooms of America. Categories are dividing, not combining."*

— Al Ries & Jack Trout

*"A category starts off as a single entity. Computers, for example. But over time, the category breaks up into other segments. Mainframes, minicomputers, workstations, personal computers, pen computers." Each segment is a separate, distinct entity. Each segment has its own reason for existence.*

— Al Ries & Jack Trout

*"Timing is also important. You can be too early to exploit a new category. It's better to be early than late. You can't get into the prospect's mind first unless you're prepared to spend some time waiting for things to develop."*

— Al Ries & Jack Trout

### **Law # 11 -- Perspective**

**The results of marketing programs only become apparent over an extended period of time.**

In the case of many marketing initiatives, the short-term results generated will be the exact opposite of the long-term results.

For example:

- Running a sale will generate short-term sales. Over the longer term, however, running sales ends up educating consumers they should never buy at the "regular" prices. (The same applies for coupons, discounts rebate programs and other sale incentives).
- Extending a product line into another category can create short-term sales volume increases. Over the longer term, however, the value of the brand is lowered, since it loses its focus.

Therefore, in developing and executing effective marketing programs, the long-term results should be the exclusive focus -- even if the short term results paint a temporary false picture.

*"Any sort of couponing, discounts or sales tends to educate consumers to buy only when they can get a deal. What if a company never started couponing in the first place? In the retail field the big winners are those companies that practice "everyday low prices" -- companies like Wal-Mart and K Mart and the rapidly growing warehouse outlets. Yet almost everywhere you look you see yo-yo pricing."*

— Al Ries & Jack Trout

*"In every day life there are many examples of short-term gains and long-term losses, crime being a typical example. If you rob a bank for \$100,000 and end up spending 10 years in jail, you either made \$100,000 for a day's work or \$10,000 a year for 10 years of labor. It depends on your point of view."*

— Al Ries & Jack Trout

### **Law # 12 -- Line Extensions**

**There's often an irresistible temptation to extend the equity of a successful brand into unrelated fields.**

Invariably, any company that becomes highly successful starts to believe it can succeed in any other business field of its choosing. Whenever that happens, the company ends up becoming weaker rather than stronger -- because it attempts to be all things to all people rather than staying tightly focused on what made it succeed in the first place.

Therefore, line extension -- the taking of a successful brand name and putting it on a new product in an unrelated category -- never works out in practice. Ideally, it sounds alluring, but the reality comes back to the fact marketing is a battle of perception rather than a battle of products.

With this mind, management should realize:

- More is less. That is, the more products a company has, the less money it will end up making.

- Less is more. To succeed, the best companies narrow their focus until they build a position in the mind of the prospective customer.

The best paradigm is to think of business strategy as a tent. Many companies are busy trying to pitch a large tent holding a swag of products. The smart approach, however, is actually to maintain a very small tent which is pitched in an area very carefully chosen.

*"The more products, the more markets, the more alliances a company makes, the less money it makes. "Full speed ahead in all directions" seems to be the call from the corporate bridge. When will companies learn that line extension ultimately leads to oblivion."*

— Al Ries & Jack Trout

*"The antidote for line extension is corporate courage, a commodity in short supply."*

— Al Ries & Jack Trout

### **Law # 13 -- Sacrifice**

**You have to actually give up all the choices and focus on one thing in order to achieve anything significant.**

Companies that attempt to do everything end up doing nothing of any note. Usually, there are three things a company must sacrifice to make progress:

1. Offering a full product line.  
Companies that try and generalize are always weak, while those that specialize succeed.
2. Targeting too broad a market.  
By attempting to serve too broad a market demographic, nobody is happy. Companies achieve more when they stop trying to please everyone and instead focus in on one specific segment with a laser like focus.
3. The need to make constant strategy changes.  
Companies that are forever changing their marketing strategy to try and match the twists and turns of the

marketplace end up serving no one -- because nobody understands what they stand for.

Until and unless a company is prepared to make these sacrifices, it will never move ahead.

*"Good things come to those who sacrifice. If you want to be successful today, you should give something up."*

— Al Ries & Jack Trout

*"There seems to be an almost religious belief that the wider net catches more customers, in spite of many examples to the contrary. The target is not the market. That is, the apparent target of your marketing is not the same as the people who will actually buy your product. Even though Pepsi-Cola's target was the teenager, the market was everybody. The 50-year-old guy who wants to think he's 29 will drink the Pepsi."*

— Al Ries & Jack Trout

#### **Law # 14 -- Attributes**

**For every attribute used in its marketing, there is an opposite attribute someone else can use effectively.**

To succeed in marketing, you need a word or attribute around which to focus your efforts -- a word that you can come to own in the mind of prospective customers.

To find a suitable word, try looking at which word the market leader already owns -- and do the complete opposite.

The reason for this approach is obvious. It's very unlikely you'll succeed in dislodging the market leader. Therefore, you should concentrate on serving whichever market segment the leader currently ignores. There will always be plenty of room to do that successfully.

The more you succeed in dramatizing the value of the attribute you've selected, the greater the share of the market you will secure. Besides, it's impossible to predict what market share a new attribute will ultimately end up securing. You may end

up with a huge share of the market which has been ignored by all the existing companies.

You'll be able to tell if your new attribute hits a sweet spot in the market very quickly by the amount of fear generated in the market leader's management.

*"Too often a company attempts to emulate the leader. It's much better to search for an opposite attribute that will allow you to play off the leader. The key word here is opposite -- similar won't do. Coca-Cola was the original and thus the choice of older people. Pepsi successfully positioned itself as the choice of a younger generation. Since Crest owned cavities, other toothpastes avoided cavities and jumped on other attributes like taste, whitening, breath protection and, more recently, baking soda."*

– Al Ries & Jack Trout

#### **Law # 15 -- Candor**

**Anytime you admit a negative in your marketing, the prospect will treat that admission positively.**

Why is a healthy dose of honesty so refreshing in marketing?

1. Because it's so unexpected.
2. Because people instinctively open their minds to problems and close their minds to glib positive statements.
3. Because everyone is naturally cautious about what a salesman tells them, and admitting to a negative is very rare in the commercial world.

With this in mind, smart companies admit a negative in their marketing -- and then turn it into a positive. As with anything, however, this must be achieved carefully to be fully effective. The prospect must feel some instant agreement with the negative, or else confusion will rein. At the same time, the

marketing should move quickly on to the positive, before the benefit of admitting the negative is lost.

*"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. Especially in an advertisement. You have to prove a positive statement to the prospect's satisfaction. No proof is needed for a negative statement."*

– Al Ries & Jack Trout

*"Marketing is often a search for the obvious. Since you can't change a mind once it's made up, your marketing efforts have to be devoted to using ideas and concepts already installed in the brain."*

– Al Ries & Jack Trout

*"This law only proves the old maxim: Honesty is the best policy."*

– Al Ries & Jack Trout

#### **Marketing Law # 16 -- Singularity**

**In every marketing situation, there is always one move that will open the floodgates of substantial success.**

Marketing success is not built on trying to execute what doesn't work a little harder. Instead, in any given situation, there is actually one bold stroke that will achieve spectacular results. The challenge is to find that move and exploit it.

Most competitors will have one spot where they are vulnerable. Therefore, the entire focus of the marketing should be on exploiting that chink in the armor -- not in mounting an assault where they are strongest.

The same thing works in marketing that works in military campaigns -- an attack from an unexpected direction. Finding the direction from which the attack should come is the challenge -- and sitting around the head office generally won't suggest what will work and what will not.

The most effective marketing managers are those that know first-hand what's happening in the marketplace. They're down at the front, observing what's working and what's missing the mark.

It's only in the mud and confusion of the front lines that true marketing insights emerge.

*"Many marketing people see success as the sum total of a lot of small efforts beautifully executed. They think they can pick and choose from a number of different strategies and still be successful as long as they put enough effort into the program. If they work for the leader in the category, they tend to fritter away their resources on a number of different programs. They seem to think the best way to grow is the puppy approach -- get into everything. If they're not with the leader, they often end up trying to do the same thing as the leader, but a little better. History teaches that the only thing that works in marketing is the single, bold stroke."*

– Al Ries & Jack Trout

**Law # 17 -- Unpredictability**  
**Unless you're writing your competitor's plans, the future will always be unpredictable.**

Marketing plans must make assumptions about the future -- which means they will usually be wrong., particularly due to the fact competitive reaction cannot be anticipated.

Since the future cannot be predicted with certainty:

1. At least study the general trends. You should avoid jumping to conclusions that are unwarranted or extrapolating too far, but at least have some general awareness.
2. Avoid assuming the future will be a replay of the past or the present.
3. Try and anticipate what you will do if something totally unexpected eventuates.
4. Build flexibility into your plans and your organization, so you can respond to changes as they occur.

5. 'Develop a responsive attitude within the organization. Instead of shunning change, embrace it for the opportunities that will be created.

*"No one can predict the future with any degree of certainty. Nor should marketing plans try to."*

– Al Ries & Jack Trout

*"The unexpected always happens."*

– Peter's Law

*"There's a difference between "predicting" the future and "taking a chance" on the future. Orville Redenbacher's Gourmet Popping Corn took a chance that people would pay twice as much for a high-end popcorn. Not a bad risk in today's affluent society."*

– Al Ries & Jack Trout

**Law # 18 -- Success**  
**Business success often leads to arrogance, which in turn leads to failure.**

Successful people tend to lose their objectivity, and follow their personal preferences rather than whatever the market dictates. The same thing tends to happen to marketers. They stop doing whatever it was made them successful in the first place (like obeying the basic laws of marketing) and start trying to market all sorts of products.

Therefore, if you're not careful, you end up with early success and long-term failure. And this is more likely to happen the more closely you identify yourself personally with your brand or corporate name.

Great marketers separate their egos from their work. Instead of imposing their own view on the world, they try and put themselves in the shoes of their customers. They try and think

-- and react -- the way the prospect will when faced with an offer made by the company.

Marketing is the lifeblood of any company, and it's too important and essential a business activity to be left in the hands of anyone else. Managers need to go down to the front and find out precisely what's happening in the marketplace.

In this area, second-hand information is not just second best -- it can be fatal to the future financial success of the corporate entity. Gather your own market intelligence through first-hand experience, not filtered through other staff.

*"You start thinking you can do anything. I was that way back in the early days. I got into frozen pizzas for a while, and that was a disaster. If I hadn't messed around with those frozen pizzas for the better part of a year, trying to sell them in bars and restaurants, Domino's probably would have a lot more stores by now."*

– Tom Monaghan, founder, Domino's Pizzas

**Law # 19 -- Failure Failure in marketing should be both expected and accepted.**

Making a mistake and failing to admit it is hardly a career building approach. Therefore, a better idea in marketing is to admit mistakes early and cut your losses rather than letting things drag on indefinitely.

Nobody in marketing will ever hit the target every time. The trick, however, lies in separating considerations about the effect on the decision maker's career from what's best for the company.

If the personal agenda can be given a lower priority than the corporate agenda, reasonable marketing risks will be acceptable. If the priorities are reversed, nobody will ever try anything innovative in marketing for fear of impacting negatively on future career aspirations.

Possibly the best way to handle these types of potential conflicts is to bring everything out in the open. At least that way, concepts stand a chance of being judged on their own merits rather than in terms of who will benefit.

*"If you learn something and you're trying something, then you probably get credit for it. But woe to the person who makes the same mistake twice."*

– Sam Walton

*"If a company is going to operate in an ideal way, it will take teamwork, esprit de corps and a self sacrificing leader. One immediately thinks of Patton and his Third Army and its dash across France. No army in history took as much territory and as many prisoners in as short a period of time. Patton's reward? Eisenhower fired him."*

– Al Ries & Jack Trout



### **Law # 20 -- Hype**

**The real situation with any marketing program is quite often the exact opposite of how it is reported.**

When things are going well for a company, it is usually too busy to worry about holding many press conferences or generating too much in the way of hype. Those types of activities usually only happen when a company's sales are proceeding very slowly.

Therefore, always take a contrarian approach. Forget the front page articles that are generated by the PR machine. Instead, keep an eye out for the little hints -- small articles buried deep in the middle about innocuous little things that are occurring in the marketplace.

Some of the biggest products in history -- including the personal computer and the facsimile machine -- had very sluggish early sales, and attracted very little coverage. By contrast, some of the most hyped concepts in business -- like

the videophone and the paperless office -- have failed, as yet, to materialize.

There's a world of difference between capturing the public's imagination and revolutionizing a market.

*"Not that there isn't a grain of truth in every overhyped story. But for the most part, hype is hype. Real revolutions don't arrive at high noon with marching bands and coverage on the 6:00 P.M. news. Real revolutions arrive unannounced in the middle of the night and kind of sneak up on you."*

-- Al Ries & Jack Trout

*"No one can predict the future, not even a sophisticated reporter for the Wall Street Journal. The only revolutions you can predict are the ones that have already started. Did anyone predict the overthrow of communism and the Soviet Union?"*

*Not really. It was only after the process had started that the press jumped on the "crumbling communist empire" story."*

-- Al Ries & Jack Trout

### **Law # 21 -- Acceleration Successful marketing programs are built on trends, not on temporary fads.**

Fads are short-term occurrences, whereas trends play out over a very long time frame. The problems occur when companies gear up and act as if fads were trends.

Therefore, whenever business is growing rapidly, the smart approach is to treat it like a fad. The best thing you can do is to try and dampen demand a little. Test its underlying strength. If it's a long-term trend, it will still keep going strong, whereas a fad will be unable to sustain momentum that way.

Try and totally ignore fads. If you pay any attention to them, make it of academic interest only. More than anything else, avoid committing financial resources to try and meet the demand generated by the fad. In the blink of an eye, you'll be overextending yourself so that when the fad loses its steam,

you'll be faced with too many staff, expensive manufacturing facilities and a distribution channel that far exceeds the volume of business you can generate. The result? Your company goes into deep, and possibly fatal, financial shock.

*"One way to maintain a long-term demand for your product is to never totally satisfy the demand. The most successful entertainers are the ones who control their appearances. They don't overextend themselves. They're not all over the place. They don't wear out their welcome."*

-- Al Ries & Jack Trout

*"A fad is a wave in the ocean, and a trend is the tide. A fad gets a lot of hype, and a trend gets very little. Like a wave, a fad is very visible, but it goes up and down in a big hurry. Like the tide, a trend is almost invisible, but it's very powerful over the longer term."*

-- Al Ries & Jack Trout

### **Law # 22 -- Resources Without adequate funding, a good idea will never get off the ground.**

Even the best idea in the world won't get very far if the resources aren't available to get into the mind of the prospect effectively. You need money to get into the mind of the consumer -- and more money to stay there.

Some common misconceptions about money are:

- That big companies are starved for innovative ideas. In reality, internal competition is so intense that very few outside ideas ever get accepted. You're generally better off trying to get a smaller company to run with your idea.
- Venture capitalists have tons of money available. This is partly true, but they actually fund only an insignificant portion of the proposals made to them. You'll need a little luck if you go this route -- as well as a willingness to give away an obscene chunk of your idea.

- Publicity is cheaper than marketing. This can be true at times, but there's no such thing as a free lunch -- it will still take some money to get things rolling along.

In the final analysis, the rich keep getting richer because they have the resources to drive their ideas all the way into the minds of prospective customers.

*"The more successful marketers front load their investments. In other words, they take no profit for two or three years as they plow all earnings back into marketing. Money makes the marketing world go round. If you want to be successful today, you'll have to find the money you need to spin those marketing wheels."*

-- Al Ries & Jack Trout

*"You'll get further with a mediocre idea and a million dollars than with a great idea alone."*

-- Al Ries & Jack Trout