

The Marketing Secrets of the Unicorns

Smart promotion and public relations—not just technology—are key to their success

The business world has been fascinated lately with “unicorns”—companies valued over \$1 billion that have not yet filed for an initial public offering. Many of these companies became blockbuster successes by creating powerful, often disruptive technologies.

But that’s not the only smart thing they did: They also developed sophisticated marketing and public relations operations that have greatly contributed to their success—and achieved it relatively affordably.

So, what do unicorns do differently when it comes to marketing and PR?

Defining Their Customers

“Many startups assume their technology is so brilliant it will sell itself,” says Denise Lee Yohn, a brand-building consultant and author of the 2014 book *What Great Brands Do*. “Or they develop a technology that has many possible uses, so they just put it out there and let their customers decide. But that’s a risky approach. If you’re not clear of the value you’re creating, you probably won’t get the attention you need. And if you let others decide on your technology’s value, they may pigeonhole you into something small.”

Yohn adapted the term “minimum viable brand” as a complement to the “minimum viable product” popularized in the book *The Lean Startup*. Startups don’t need a comprehensive branding strategy before launch, just as they don’t need a perfected product, she says. “But they do need a hypothesis about what should be the defining attributes and values of the brand. And it should be informed by an understanding of the market.”

Brands should be “positioned in a specific way to a specific target customer,” Yohn noted in a recent *Harvard Business Review* article.¹ Although entrepreneurs may fear that a clear brand positioning will alienate potential customers, “the exact opposite is true. When brands embrace and embody a clear identity and unique positioning, they attract people who are most likely to be loyal, high-quality customers.”¹

Yohn notes that one well-known unicorn in transportation branded itself early as a “lifestyle company” and a premium brand by offering luxury vehicles and emphasizing personalized service. The reputation stuck even as the company broadened its customer base.

Starting Narrow

“Many successful unicorns kept their audience narrow and prototyped their product or services before going live,” says Ashleigh Bilodeaux, Head of Marketing for Nasdaq Private Market, which helps private companies design and manage equity programs. “They built their demand from an audience of early adopters who were willing to try new things and to provide feedback on what works and what doesn’t.”

Building an early core of loyal customers requires consciously narrowing marketing and PR efforts, especially in the initial stages. The product or service may be available only in the city or region where the company is located, by invitation only to a select number of “influencers” or in a limited edition.

“If this is a product that makes people go ‘wow,’ then those first consumers will advertise the product via word of mouth and create an air of exclusivity,” Bilodeaux says.

Creating a ‘Face’

Many unicorns have chosen a single person who represents the company to the public and who “builds personality for the brand,” Bilodeaux says. “This person is often charismatic. Whether he’s loved or even disliked, it adds a layer of curiosity. People want to know: Who is this guy? What is his story? Why is he passionate about this product?”

There may be an obvious choice of who the public face will be, particularly if it’s the chief executive or a founder. But it still requires a conscious decision by the management team to put a single person forward to give key presentations, speak to the media and act as a thought leader in the industry, Bilodeaux adds.

Yohn believes that sustainable success for startups comes not with scooping up thousands of customers, but by serving a target market flawlessly. She cites two rapidly-growing “meal-kit services” that ship ingredients directly to customers who prefer to cook at home but don’t have time to shop: “These companies nailed their audience and provide a seamless experience for them.”

Citations

¹ – Harvard Business Review, “Start-Ups Need a Minimum Viable Brand,” June 13, 2014

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