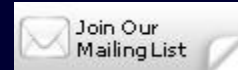




January 2010



Dear Valued Partner:

We're off to a new decade -- can you believe it? Maybe we're incorrigible optimists, but our forecast for this year calls for a revitalized economy and lots of profitable growth for our clients and partners. And why not?

This year also marks Mainstay's 10th year in business. It's been an exciting journey and we're thrilled to have helped so many people and businesses achieve their goals.

On behalf of the entire team at Mainstay Partners, we wish you a peaceful and prosperous 2010!

Amir Hartman and Craig LeGrande
Co-founders and Managing Directors
Mainstay Partners

Decoding the FTC New Rules on Testimonials

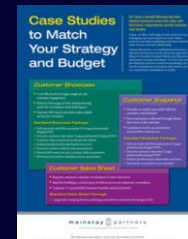
There's been a lot of talk in marketing circles lately about the Federal Trade Commission's new rules on endorsements and testimonials, which went into effect December 1 of last year. In a nutshell, the new rules require marketers to back up their testimonials with a clear explanation of how the results were achieved. To help us understand the new rules, the FTC provides an example of a testimonial that's no longer acceptable:

"I lost 50 pounds in six months with WeightAway."

What's wrong with this statement? Well, the FTC says it could be misleading because there's no way to tell if this particular result was typical. To remedy this situation, the FTC says testimonials need to provide context for the claim -- in this case, a description of all the factors contributing to the weight loss. Thus it suggests the following re-write:

"Every day, I drank two WeightAway shakes, ate only raw vegetables, and exercised vigorously for six hours at the gym. By the end of six months, I had gone from 250 pounds to 140 pounds."

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What does all this mean for high tech marketers? We're not lawyers -- and we're not offering legal advice here -- but our guess is there's no need to panic. According to Michael Fortin in his [excellent blog](#), it may just mean that you should "make sure that you accurately portray the steps that led to success -- which may be more than just your solution."

You may also want to tighten up some your publication processes. For example, Richard Cleland, assistant director of advertising practices at the FTC, said in a webinar that companies should consider asking customers to sign an affidavit to vouch for the accuracy of their testimonials. And he advises companies to update their customer endorsements regularly.

In the short term, though, we think the FTC's main targets are likely to be business-to-consumer firms -- like weight loss product manufacturers -- rather than B2B companies, which will probably have more time to adjust to the rules. What's more, penalties for first offenders is light: you get a warning and a chance to fix the issue.

On the upside, the new rules are likely to benefit companies that make a point of backing their customer stories with hard numbers and supporting detail. It may even breathe new life into an old art form: the customer case study. "Case studies are more powerful than blatant testimonials," Fortin says. "They give testimonials clarity, context, measurability, and weight. And best of all, case studies make testimonials more believable and concrete, which may even boost your sales."

Mainstay Partners has long promoted evidence-based case studies as an effective sales driver and we've built a practice around producing credible studies based on industry-standard ROI methodologies. It's no surprise, then, that many of our clients welcome the new FTC rules. "We've made it a priority to show the value of our solutions in the context of objective, fact-based studies," a client told us recently. "Customers prefer this approach, and now the FTC is telling us that's the right way to go to market."

TechTarget Take-Away: Pay Attention to Your Customers' "Buying Cycles"

We'd be remiss if we didn't mention one of the more informative and useful conferences we attended last year: the TechTarget ROI Summit '09 West in Burlingame, Calif. Attendees at this October gathering were keenly interested in getting maximum returns -- i.e., sales -- from every marketing dollar invested.

A key take-away from the conference was the concept that IT buyers go through distinct "buying phases." These include an initial "awareness phase," a "consideration phase" when buyers actively research alternatives, and a final "decision phase" when the dust settles and a winner emerges.

During each phase, buyers prefer certain kinds of media and information. For example, they are more inclined to read email newsletters and watch videos during the awareness phase, turn more to whitepapers and podcasts during the consideration phase, and gravitate toward case studies and online demos when they reach the decision point.

Interestingly, social media appear to play a pivotal role during the early and middle stages, when buyers-to-be reach out to "influencers" to form opinions. The lesson: to gain maximum impact, marketers need to build a diverse content portfolio that covers the full breadth of the IT buying cycle.

What this also implies, in our view, is that tech providers should squeeze the most out of every customer reference engagement and aim to create a spectrum of assets that can be deployed at strategic moments in the sales cycle.

The good news is that this strategy is very cost effective. With a little extra planning, most reference engagements -- especially in-person visits -- can be designed to yield multiple assets at little extra cost. A case study interview, for example, can do double duty as the raw material for a video testimonial or a podcast.

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