



“You laugh at me because I’m different... I laugh at you because you’re all the SAME!!”

Blue Ocean Strategy

SAHIBA SINGH tells you how blue the ocean is.

Consider the following questions -

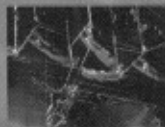
1. Are your benchmarks set according to the industry standards or the current No.1 Brand?
2. Is the innovative approach an answer to competition's strategy?
3. Does your product have an A-ha factor for the client/customer?
4. Teased by an added value, are your clients/customers moving off to another brand?
5. Are your competition and you wooing the SAME consumer?!!

Answered YES to any of the questions above?

Oops!! It is time to rethink your business approach. How about something different from everyone else, producing something that no one has seen yet? Professors W. Chan Kim and Renée Mauborgne in their book *Blue Ocean*

Strategy detail a business model focussing just on this.

The “ocean” refers to the market or industry. “Blue Ocean” is an untapped and uncontested market, which provides little or no competition for anyone who would “dive” in, since the market is not crowded. “Red Ocean” on the other hand, refers to a saturated market where there is fierce competition, already crowded with companies providing the same type of services, producing the same kind of goods.





Blue Ocean Strategy	Red Ocean Strategy
<ul style="list-style-type: none"> • Create uncontested market place • Make the competition irrelevant • Create and capture new demand • Beat the value/cost trade off • Align the whole system of a company's activities in pursuit of differentiation and low cost 	<ul style="list-style-type: none"> • Compete in an existing market place • Beat the competition • Exploit existing demand • Make the value/cost trade off • Align the whole system of a company's activities with its strategic choice of differentiation or low cost

Source: www.valuebasedmanagement.net

- Cirque reinvented the circus.
- Harley for women.
- Pepsi helped create 'youth culture'
- GM customised the way Ford would not.
- Mega-plexes changed the movie house.
- Disneyland offering an amusement experience.
- Nike discovered the fitness trend early, and made it an American pastime.
- Starbucks created a new category of public space, (a.k.a. the "third place").

So, how does one move toward creating a "Blue Ocean" Strategy (BOS), market or management?

The aim of BOS is not to out-perform the competition in the existing industry, but to create new market space (or a blue ocean), thereby making the competition irrelevant. BOS is the simultaneous pursuit of differentiation and low cost.

To fundamentally shift the strategy canvas of an industry, you must begin by reorienting your strategic focus from competitors to alternatives, and from customers to non-customers of an industry.

As you shift your strategic focus from current competition to alternatives and non-consumers, you gain insight into how to redefine the problem the industry focusses on and thereby reconstruct buyer value elements that reside across industry boundaries.

Check the following actions:

- ⚡ **REDUCE:** Which factors should be reduced well below the industry standards?
- ⚡ **ELIMINATE:** Which of the factors that the industry takes for granted should be eliminated?
- ⚡ **RAISE:** Which factors should be raised well above the industry standards?
- ⚡ **CREATE:** Which factors should be created that the industry has never offered?

So all we have to do is to find an uncontested market space and all the hard work of marketing just goes away? Hurray! If only life was so simple...

Remember:

- ⚡ BOS is not so much about discovering empty spaces. It's about something more proactive, creative and hands on.
- ⚡ It's not a matter of shifting assumptions and changing frames. It's about creating something new.

A word of

caution...Corporations that merely discover new oceans may "own" these oceans till the rest of the world comes piling in. Are you next in line?

"If you don't tap the ocean, somebody else surely will." *

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