

Blue Ocean Shift Summary

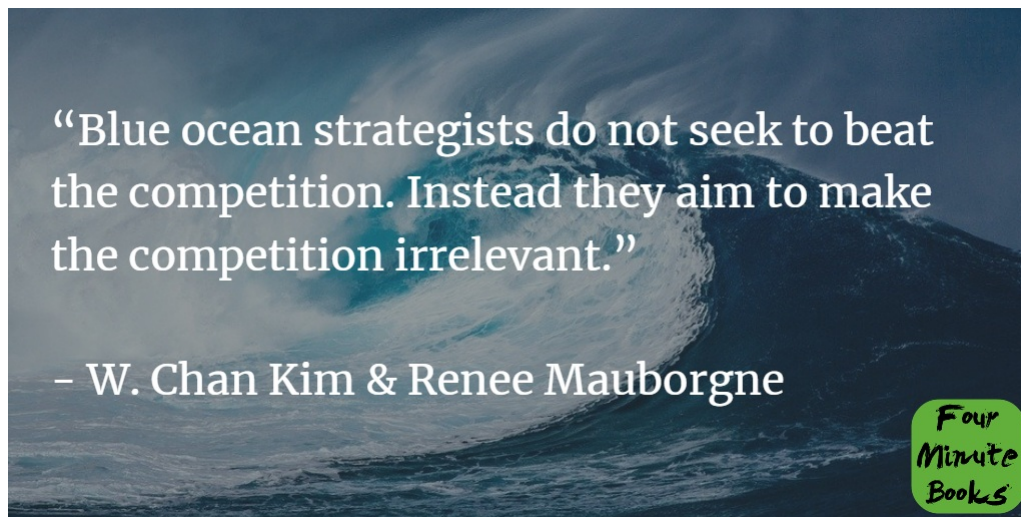


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1-Sentence-Summary: *Blue Ocean Shift* guides you through the steps to beating out your competition by creating new markets that aren't overcrowded.

Read in: 4 minutes

Favorite quote from the author:



Do you feel like your company is drowning against the competition in your market? Maybe you're thinking of starting a business, but worry that every niche is already saturated. The problem is that you're looking at "red ocean" markets.

Just like hungry sharks make the water around them red, companies in overcrowded markets have a hard time competing. But what if you could get into a brand new niche that wasn't so busy? This is called a blue ocean, and it's what Chan Kim and Renee Mauborgne's *Blue Ocean Strategy: Beyond Competing – Proven Steps to Inspire Confidence and Seize New Growth* will teach you how to get into.

With this new vision of how to get away from the competition, your company will thrive. And this book will teach you all of the steps to get there.

Here are the 3 most impactful marketing lessons I've learned from this one:

1. To start creating your blue ocean market, you need to know how to create one.
2. Take a look at the pain points of customers in your industry to open up new opportunities.
3. Make your marketing nearly bulletproof by closely examining the assumptions your industry makes to sell products currently.

Are you ready to discover how to eliminate the competition? Let's begin!

Lesson 1: Learn the ways that new markets are created to get into your own blue ocean.

With a blue ocean market strategy you can significantly improve the success of your business. But to get there, you must first understand how to create new markets. It might seem simple to think that a new idea is enough, but getting more specific is better.

There are three types of strategies to create new markets:

1. Disruptive innovation
2. Non-disruptive creation
3. Redefining an existing problem

Disruptive innovation happens when new technological advancements beat out older ones and “disrupt” the industry. One example of this is when Netflix began streaming videos online. Their disruption put Blockbuster and much of the VHS industry out of business.

Next we have non-disruptive creation, which means neither replacing or destroying a market. **Instead, this type of blue ocean comes when a company forges into addressing a previously unsolved problem.** When Pfizer created Viagra, for example, it brought a solution to a problem that hadn't been addressed yet.

And last is taking a problem that exists and redefining it. A company named Groupe SEB took this strategy with making french fries. Most people think this side dish had to be deep fried and unhealthy. But the ActiFry fryer they created made it possible to make french fries with only a little oil and no frying. They saw the existing problem in a new light and created a brand new market for it.

In other words, you need to replace an existing product with a breakthrough, solve a brand new problem, or look at an existing customer struggle differently.

Lesson 2: New opportunities are hiding within the pain points that customers experience.

Good businesses solve problems. To do that, you have to examine what makes it difficult for people to accomplish a task to uncover their pain points. A good blue ocean strategy takes a look at the hidden troubles customers might have. New opportunities lie within these mysteries, but how can you find them?

Using what the authors call a *buyer utility map*, you can see different areas that customers might struggle. Imagine a table made of six rows and columns. Across the columns, you have the *buyer experience stages*:

1. Purchase
2. Delivery
3. Use
4. Supplements
5. Maintenance
6. Disposal

Then, down the rows, you've got what are called *utility levers*:

1. Customer productivity
2. Simplicity
3. Convenience
4. Risk reduction
5. Fun and image
6. Environmental friendliness

Once you've built out your table, walk yourself through each stage a customer experiences when using your product. In the case of a company that sells wine, for example, they would start with looking at how a person chooses a bottle. They would examine each stage of the experience, looking for pain points that aren't currently being solved.

To make this most effective, ask yourself questions like "what makes it hard for the customer to be productive?" and "what takes away the fun of using it?" With each answer, also examine why customers would feel the way they do about the answer.

When you uncover the hidden struggles people have, you can change your offering to help people in ways that nobody else is. This is just one way to tap into the power of a blue ocean. But you can go deeper with your research and get even better results as we'll see in the next lesson.

Lesson 3: The assumptions that businesses make when selling a product are another great place to discover blue oceans.

Finding out what makes it hard for people to use your product is important. But what happens next is crucial to making the blue ocean ideology work best. You've got to go through the *four actions framework* by asking yourself a few more questions. These are:

1. What parts of your industry are unnecessary and can be eliminated?
2. Are there options we give that can be reduced below the current standard?

3. Which factors need to have the standard improved?
4. Can we create new offers that don't currently exist?

Let's take a look at the example of a hotel chain named citizenM to understand these better. Thinking of what they could eliminate, the company removed concierge and front desk services. Without these "necessities," visitors didn't need to wait in line to check in.

Next, we have the reduction of standards. At citizenM, they reduced room sizes significantly. Customers don't spend much time in their rooms other than in bed, so why keep that extra space? Pairing it with the next step, however, was also important to not dip too far below maintaining the comfort level of their guests.

To help hotel-stayers have the best experience, citizenM drastically improved the quality of their beds and sheets. Also keeping absolute silence, they worked to make the sleeping experience one of the best their customers had ever had.

And last, citizenM looked for new opportunities they could create to improve their offering. Without the concierge services, the company started having "ambassadors" whose job it was to answer questions and solve problems.

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Blue Ocean Shift Review

Wow, this book has some really clear and actionable marketing advice! I strongly believe the reason most businesses fail is because they don't do the type of preparation that *Blue Ocean Shift* teaches you how to do. If you're looking to up your marketing game, this is definitely a book for you!

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Who would I recommend the Blue Ocean Shift summary to?

The 54-year-old CEO who wants to set their company apart from the competition, the 28-year-old business owner that is looking to create a new product, and anyone who is entrepreneurially minded.