

THE SHARE THIEF

A DIGEST OF IDEAS TO STEAL MARKET SHARE

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Market Leadership

What Are You Willing To Wager?

How much do you want to win? Are you willing to put everything on the table and examine every opportunity for your brand to succeed in market warfare?

We all pretend to strive for victory but most companies fall far short of what it takes to actually prevail. Most brands fail to really challenge the market leader because they continue to salute sacred cows or wasteful process. They become enamored with their past successes and cling to the old business model long after it has been rendered obsolete. There are only two flags that should be saluted — the flags of brand integrity and of customer's needs. Everything else is an obstacle and is in your way.

Catch-22

There is a fatal flaw in market leadership — fear of risk — and that same fear is the weighted anchor that holds back the competitors that nips at the leader's dangling heels. This catch-22 should both be avoided and/or exploited. The market leader may have found their success for a myriad of reasons. They may have been in the right place at the right time or possibly the result of visionary leadership. It is even possible that they were just plain lucky. No matter what the reason for their success, few of them recognize clearly and dispassionately the value that keeps them at the top. It is this blurred vision of reality that the astute competitor can exploit.

Attachment to their prior success is their Achilles heel and you need to exploit this inherent weakness. The vast majority of market leaders are wedded to the status quo, they avoid risk and change — they are, for the most part, aided in this static paradigm by the many competitors who mimic their every move. If, as a challenger brand, your goal is to reduce your risk by copying the market leader you will fully eliminate all risk by so doing. Risk, by definition means an uncertain outcome and copying the market leader is by no means uncertain. You will absolutely fail — there is no question about it.

Help The Market Leader

What does the market leader want to

happen? Simply put, the market leader wants to maintain their advantage with minimal change (read: minimal added expense). This means they prefer the status quo. They wish the playing field to remain static. They are fully invested in the accepted rules and more often than not have an investment in expensive infrastructure. Seeing this phenomenon in REAL time is difficult to do, sometimes it helps to look at the past to see it clearly.

Two Examples

Remember *Tower Records*? They were "THE" store for music in their heyday. They had the reputation as the world's finest selection of music and the arrival of their retail stores sent shudders of fear into the *Sam Goody(s)* of the world. It was hard if not impossible to compete with *Tower Records* because of vast inventories and a terrific retail model. However, something changed,

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and *Tower Records* could not respond because of immense infrastructure and the self-same retail model that was once lauded.

The first change was the move from records to CDs. The retail mega-stores failed to keep up and not one of them changed their brand name to reflect that sea change. *Tower Records* never became *Tower CD* or even better — *Tower Entertainment*. They wanted the market to remain the same because they were invested in it. Instead of seeing their brand equity as coveted entry into the new space, they fought it, holding onto a failed and failing model. The customer no longer wanted the "shopping experience" they wanted immediacy and the ability to buy from their own computer browser. Every

time you download a song from Apple's iTunes or purchase a CD from Amazon.com, remember that *Tower Records* was once that — a towering brand in music proliferation and experience. It was the source for those that loved and purchased music. They had a brand but they squandered it by focusing on the process rather than the purpose or precept that drove their customer to covet what they delivered.

Remember *Maxwell House* and its "good to the last drop" promise? The market leader for years and arch rival to P&G's *Folgers* brand. An overlooked consumer insight propelled *Folgers* into first place after years of being a marginal player — the realization that scent was a more powerful motivator than taste. "Quick, give Mrs. Olsen the boot" and usher in the deep resonant "sniff" and the theme that "the best part of waking up was *Folgers* in your cup." So much for "good to the last drop" but *Folgers* only got the message half right. They overlooked precept (what I believe I crave) and concentrated on purpose (I need the smell of coffee).

What is Winning Worth?

P&G, in typical form believed that price drove the category and worried that the rising price of coffee would doom their business. The rest of the market agreed with the market leader. Enter "flaked coffee" allowing users to use less coffee and enter the less than "integrity" filled 12oz "one pound cans." They worried that the market would NEVER pay upwards of \$3 a pound for great coffee. I wonder what they think now that coffee drinkers line up at *Starbucks* for the privilege of buying coffee at \$13 a pound and spending \$4 on a cup? Are we actually buying better taste or an experience? It seems that taste is worth \$3 a pound but the inconvenience of making a special trip to the coffee store is worth \$10 more.

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