

A White Paper on Blue Ocean Positioning

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Blue Ocean Positioning is the process of presenting an existing product in a new light to its market. It means using a different approach proven by market testing to be more appealing.



Products must be repositioned "in the customer's eyes".

Powerful, effective marketing is more dependent on messaging than media. How to do this resides within the techniques of **Blue Ocean Positioning** by *Keith Bates*, which builds on and extends the concept of **Blue Ocean Strategy** by *W. Chan Kim and Renée Mauborgne*, as well as **Positioning: The Battle for Your Mind** by *Al Ries and Jack Trout*.



1. What is it?

What is Blue Ocean Positioning? First, let's describe a red ocean...

If you've seen the movie *Jaws* you know what a "red ocean" looks like.

The red ocean is where companies and their directly competing products face the daily fight for survival every day.

The "blue ocean" is the opposite. According to Blue Ocean Strategy authors W. Chan Kim and Renée Mauborgne a blue ocean product is one that's built into uncontested market space. These are products or services so unique in their boundaries that there are no competitors. You can find complete background on blue ocean **product** strategies in their brilliant, recently-updated, book.

Blue Ocean positioning is the result of extensive analytics leading to a bright idea that enables an existing product to enter an uncontested new market.

Blue Ocean "positioning" is a concept evolved from the blue ocean "strategy".

Blue ocean product positioning, *or perception*, in the market place is the development and management of a product *marketing* strategy based on the values offered by the product *outside the products physical boundaries*. This is an important move when the product's boundaries cannot be changed sufficiently to create a blue ocean product strategy but can be modified and presented to its market *positioned* to create the perception of an uncontested product. This strategy *repositions* an existing company's product into uncontested market space while making the competition irrelevant. Without needing to reconfigure their basic product, those implementing Blue Ocean Positioning are able to attract customers from an expanded existing market, or a totally new market.

2. Why Positioning?

A word about the origin of "positioning".

In 1981 Al Ries and Jack Trout published the book *Positioning: The Battle for Your Mind*. It became a smashing success and inspired the writing of 7 more books over the next 23 years. Al and Jack are a couple of my heroes.

Some thoughts from the authors: Positioning is not what you do to a product but what you do to the mind of the prospect. The basic approach is not to create something new but to manipulate what's already in the mind. In politics...the perception is the reality. So too in advertising, in business and in life. This is the goal of our blue ocean positioning – shifting the perception and the reality.

What is the inspiration for this unique approach?

Charleen Swansea, a renowned neuroscientist, presents as the challenge to marketers, "The real target of our efforts is not defined demographically (statistics), or psychographically (lifestyles) or even synchrographically (timing)... the target is the brain...and the challenge is to change attitudes, which in turn change behavior. Attitude changes occur through changes in brain chemistry ... so think of yourselves as chemists ... working on penetration and retention." The paradox: The quirky unknown doesn't stick unless you successfully help your reader relate it to the known. The four most feared words in marketing communications? I DON'T BELIEVE YOU!

Blue Ocean Positioning is designed to specifically relate the known details of the offering to the previously unknown re-positioning with a logic that makes the positioning credible.

The Six Paths Framework, and the Strategy Canvas, following, provide the method that makes that possible.

3. How does it work?

It works by applying the Six Paths Framework to identify a “space” that appears outside the competitive “red ocean” in your industry

The challenge is to think across conventional positioning strategies, break from competition, and then make convention-altering moves that construct your own blue ocean.

Blue Ocean Strategy developed a process they call the *six paths framework* that lends itself to either remaking market boundaries, or in this case remaking marketing positioning strategies.

All are based on simply looking at familiar data from a new perspective.

Consider the six paths below, which provide specific areas for research and study, as well as opportunities for analysis and testing. Most organizations will start with three for testing.

The positioning strategy works by making copy choices outside the industry boundaries with new, more powerful emotional appeals.

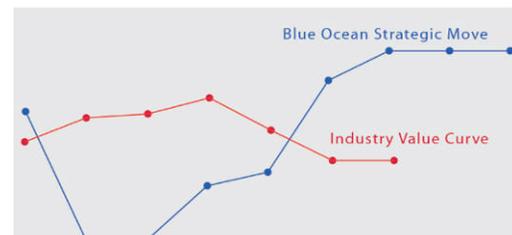
1. Current competitors tend to focus on rivals within their industry. Examine alternatives.
2. Current competitors usually focus on positions within their group. Find other groups.
3. Current competitors explore offering better services. Try surveys to find new opportunities.
4. Current competitors focus on maximizing current values. Study complementary offers.
5. Current competitors may improve price or performance. Rethink your emotional elements.
6. Current competitors often adapt to external trends. Participate in shaping, not adapting.

By thinking across traditional positioning strategies in these six areas you can discover ways to make strategic moves that reconstruct current positioning resulting in your blue ocean.

4. What is the outcome?

What it does is develop a “strategy canvas” to support a “value curve”

The outcome of the analysis compares your business against your competitors on a canvas. Each identified factor is ranked from “low” to “high”. Then following the six paths framework the desired new positioning is added to provide before and after profiles. This new “value curve” identifies where the positioning creates a “Blue Ocean” providing guidance for the next steps of planning and execution.



Each data point on the value curve on the canvas represents a comparative factor between yourself and your competitors. The objective is to reposition those comparative factors, and ultimately identify new positions competitors are not engaged in, and which you can own mindshare in your market.

One of the major challenges to a successful blue ocean positioning launch is the high visibility required and the power of the message needed to drive changes in behavior. Humans typically resist new ideas upsetting their status quo. My friend Geoff Moore’s precepts in his book *Crossing the Chasm*, apply both to introducing new products as well as new marketing positions. To paraphrase the original concept the “chasm” represents the gap between the familiar “old” and the dramatic “new”, whether actual or perceived.

That’s where an approach to the next steps of planning and execution has to carefully be developed with an understanding of the Blue Ocean Positioning process. In some ways it requires a complete pivot from what might seem to be the logical extension of current approaches.



5. How is this planned?

The Audit...

The Blue Ocean Positioning process begins with external audits of product, market and competitors as well as social media drivers. Internal audits are done to identify any potential misalignments which need to be addressed. Based on the Six Paths Framework, a study of current market boundaries versus industry perceptions will help define the paths your positioning strategies must follow. The outcome of a Strategy Canvas leads directly to the next step.

The Marketing Positioning Strategy

For products in startup mode we recommend the lean startup process to document your positioning hypothesis and identify prospects for testing. From there you can explore definition of your minimum viable product (MVP) and move on to customer validation ahead of execution.

The three Planning modules should be developed in concert with a strategic leader to facilitate them. Once those are complete, execution modules can be handled by either your internal teams, or through an external digital marketing agency, coached by the strategic leader.

For products in growth mode the strategy canvas is used to drive a market development check list which contains the details of all target customers, communications objectives, strategies, and tactics. This is followed by development of a value proposition design and value innovation to form the basis for a creative strategy.

The Creative Strategy

Last module of the Planning process consists of core intelligence & theme/image standards carefully aligned with the new Blue Ocean Positioning. This step is where the audit and strategy modules become core intelligence, and are blended with raw creative power to produce the driving message that shapes a new marketing theme/image platform.

6. How is it executed?

Putting it in motion

Upon completion of the Planning stages the Execution stage will begin by sharing the data with a digital marketing firm or the client's in-house marketing staff to build the arsenal, develop the deployment tactics and manage the analytics required for measurement statistics.

Build

After developing the Blue Ocean Positioning strategy and the creative strategy it becomes time to build the communications materials arsenal and develop a media plan for both social and traditional.

Deploy

With the arsenal defined, the next step is to form a tactics deployment plan for both online and offline media. It is also important to identify and then put a great deal of effort into developing influencer relationships.

Measure

Measurement involves listening, analyzing, and measuring ROI for all aspects of the execution, including both Social Media and Word of Mouth components.

Keith Bates and Blue Ocean Positioning

Keith developed the concept of Blue Ocean Positioning in order to serve clients for whom a full product re-creation was not feasible. He provides his clients the full development of the strategy, and then is available to manage the execution with a clients internal staff, or digital agencies Keith has identified as having the skills needed.

Keith served as agency CEO and Creative Director to more than 200 technology companies ranging from giants like IBM to dozens of VC funded startups, all managed by his advertising agency, Keith Bates & Associates, Inc.

Now operating as an advisor/consultant, Keith has the availability to engage with select clients in developing and executing a Blue Ocean Positioning plan.

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