

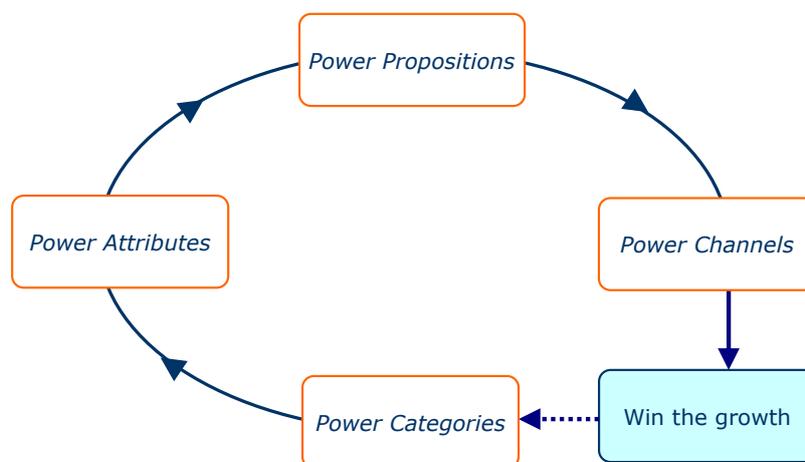


DIFFERENTIATE

The Growth Game

What can we learn from sport

Creating better strategy



The Growth Game

The current situation

Are you struggling to meet your growth targets?

If you're not getting enough growth it is for a very simple reason. You're not doing enough of the right things.

You know this and so you do more things; perhaps more advertising, more direct mail, more promotions, getting more distribution, reducing prices, or launching new products.

But it isn't enough and you did not get the growth. So you are right back where you started, except now things are worse! Now there is even less money to spend on getting more growth. So you question whether you doing the right stuff? And if not what is the right stuff? How do you know the right things to do?

But then you look at other successful high growth businesses. They seem to be investing in the right things. How can they afford it? Do they play the same game by the same rules, or do they play a different game?

The Growth Game

Growing your business is like competing in sport. If you want to win you must choose the right game, learn the rules, create a game plan and then execute it.

Successful businesses play "The Growth Game". They have a better strategy. They took a fresh look at where growth will come from. They understand the mysteries of how customers choose what to buy and so can attract more customers to buy more of their products and services more often. Just like you, they operate with finite resources, but by playing the Growth Game they manage to achieve their growth targets.

The Growth Game has rules. These are founded on discovering your competitive advantage. Then you can deploy these to attract customers.

Surprisingly many businesses ignore these rules. They know what products and services they deliver today and they know what has driven sales in the past. It is a natural reaction to want to do more of the same and continue this previously successful formula.

But repeating past successes does not guarantee growth. The Growth Game is about combining what your customers want with what you are good at. Only then can you create competitive advantage. This is not necessarily what you have done before; it almost certainly is not copying what your competition is doing right now. (Not much advantage there!)

The Growth Game

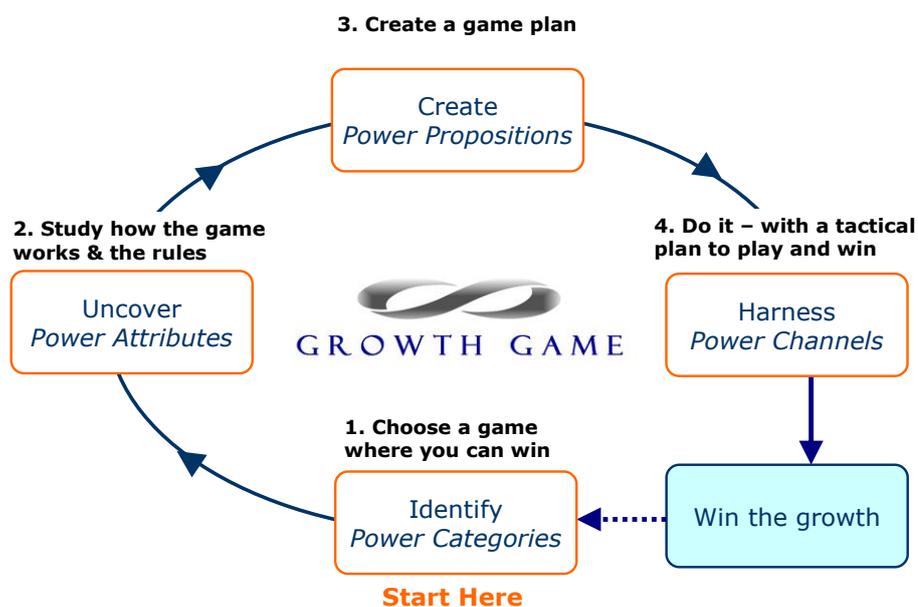
Playing the "Growth Game"

We have used the word "game" because analogies from sport help us to understand what is required to create more growth. If you want to win at sport you must follow a few steps:

1. Choose a game where you can win
2. Study how the game works and what the rules are
3. Create a game plan
4. Do it - with a tactical plan to play and win

We think the same 4 steps underpin better strategy in business and each of the four steps contains a really useful concept to help you create a plan for growth.

1. **Choose a game where you can win** is about identifying who you should target and what is their unfulfilled need. This is where you will find growth. We call this finding the **Power Categories**.
2. **Study how the game works** is finding out what makes you distinctive and how to stand out. To do this you must know why customers choose you or your competitors. This is uncovering **Power Attributes**
3. **Creating a game plan** involves figuring out how to deliver the Power Attributes to the Power Categories. You must decide what should it look like and what message do you put across. Create **Power Propositions**
4. **Doing it** is making sure you are in the places where customers hear about you and find out about you. Know where should you be available and visible so people can buy it. These are your **Power Channels**



The Growth Game

The object of the game is to win the growth. Winning is not about shortcuts, it requires, better strategy, meticulous planning and flawless execution. You must choose a game you can win, study the rules, compete effectively, create a game plan and plan your tactics.

In the Growth Game, you have to follow each of these four steps if you are going to win. You cannot afford to miss any of them in your thinking, planning or execution. If you do, it will undermine all of your efforts and you will be back into the problems outlined at the start of this paper. Let us examine each of these steps.

1. Choose a game where you can win

Choose the Power Categories. This is where you can exploit your competitive advantage. These are market segments where you can find growth. This is either where there is a growing demand, an unfulfilled customer need, and where you bring substantial competitive advantage.

If you compete where there is no growth potential then you will have to work twice as hard and invest twice as much to get the growth. This is the problem faced today by some major food brands.

Or if you do things where the competition can just do it better and are much better resourced, however good you are you will lose. Nokia recently discovered this.

There are three stages to identifying Power Categories:

First, define which "games" you are competing in today. Not just the product categories (bread, fizzy drinks, mortgages, garden products etc) but segments within this such as customer types, package formats, types of delivery and customer needs, tasks or occasions.

Second, study which "games" offer the most attractive growth prospects. So find out which segments are big, growing and potentially profitable; or whether your initiatives could make any of the segments into bigger, faster growing, more profitable segments.

Third, identify which "games" you might be good at based on what you have learned so far. Being "good at" is relative. Being good when surrounded by excellence is not good enough. But as First Direct have discovered being quite good when everyone else is poor can be very successful.

Now use this analysis to choose a game you can win. This means choose the market segments and categories you are most likely to get growth. We call these the Power Categories. We have written a separate paper going into more detail about how to discover these Power Categories.

The Growth Game

2. Study the rules and how the game works

In sport you learn how to gain advantage over your competitors. You study the rules so you know the basics, but you must experiment in order to understand where your advantage can lie. This could be making the right choice of players, knowing which skills the players need and also the tactics you use.

In the Growth Game your players are your products and services. But your competitive advantage lies in the features and benefits that your product or service delivers. We call these features and benefits the product attributes.

Some attributes determine why customers choose you. These are Power Attributes. The power comes when the attribute is both important to the customer and is something that only you can do or that customers *believe* you can do better than the competitors. You must look for advantage.

Strong brands own Power Attributes in the minds of their customers. We know BMW delivers a great driver experience, Mercedes are built to last, but Vauxhall is.....? Since built to last and great to drive are Power Attributes for many car buyers it is no surprise that BMW and Mercedes have seen strong growth and can command a premium over Vauxhall.

Know your Power Attributes and you know how the game works. You must discover your competitive advantage. If you do not understand how customers make choices; and do not know what is important to your customers and what you do better than the competition, then you will probably make expensive mistakes in product and service design, or you will promote the wrong features and benefits and your customers will drift elsewhere.

In the Growth Game you must discover the Power Attributes. Only the brands, products and services which are perceived to deliver them will increase market share and get more growth.

The number one rule is that you must ask your customers which attributes are most powerful. If you rely on your own judgement you will be close...but not close enough. There is more on this in our Power Attributes paper.

2. Create a game plan

All this knowledge about the game is irrelevant unless it is pulled into a winning game plan. You see this time and time again in sport where some coaches make ordinary players into a great team, while others can create ordinary teams out of great players.

In business the winning game plan comes from a Power Proposition. This is the creation of products and services and messages that deliver Power Attributes to Power Categories. It is something that makes your target customers think "that's just what I need" .

This is about design, packaging and messages. Power Propositions look stunning, are easy to understand, they do something I need and want. This is where your creativity is essential. But this creativity is all the more powerful when it is founded on **Power Attributes**

The Growth Game

Just as in sport it is critical to deliver the game plan. Short cuts in training rarely succeed, and cheating is usually exposed. Or to put this in business terms, short changing customers and diluting your Power Proposition through scrimping on key product features or misleading claims does not bring long term success.

3. Come up with a tactical plan to play and win

Knowing what to do is one thing, doing it is another. But the Growth Game is just like sport - a critical skill is how you do it. We describe this as “hanging out where people want to play”.

In business this is about being in the right channels; both distribution channels and communication channels. If potential customers don't find out about you and what you offer, or they are interested but cannot find you, then your superior delivery of the Power Attributes will remain a secret.

Power Channels are where customers discover you, understand you and learn to trust you. Channels in this context can be communication channels such as advertising, direct mail, internet, viral, recommendations and referrals; as well as sales channels such as retail outlets, direct sales force, intermediaries, website, mail order or telephone.

Power Channels will tell you where to hang out. This is how to execute your plan for sales growth. Power Channels are the communication channels that will work best for you and the distribution channels where you must be present. Channels can be another source of that all-important competitive advantage.

You can find out more about this in our Power Channels paper.

I'm sure at this point you are thinking, “I know this already”, “it is pretty basic simple stuff isn't it?” You would be right, but do you always do it?

While knowing what to do is simple, somehow doing it all the time eludes us. The Growth Game is a logical system to help you do it. It cuts through the clutter to help you create better strategy. Then you get more growth more often and ensure you meet your growth targets.

In summary

The Growth Game helps you harness your knowledge about customers, about your own business, and about your advantages vs. your competitors.

It equips you with 3 critical insights about how to get growth

Power Categories: What customers are doing lots of, what they are going to do more of, and what they will pay more for

Power Attributes: The basis on which customers make choices, and where you have the advantage to win.

Power Channels: Where customers hang out, and where you should hang out to influence them.

It helps you translate insights into a Power Proposition that wins you the growth. So you will offer customers something they want to buy; tell them about it and make sure they can find it.

The Growth Game

This approach to better strategy has been proven. It works marketing to consumers (B2C) or businesses (B2B) for products or services, working through intermediate channels or direct to the customer.

We have a detailed process to do this. This can involve lots of research and analysis or just some quality thinking time. You can do it yourself. The thinking process can be applied by a small business entrepreneur, a big business entrepreneur or a large corporate marketing team. The only differences will be how much time and money to invest in it.

Where you could go wrong

It is amazing how many people do not talk to their customers or think that talking to customers will create problems. You must talk to some customers. If you just use your experience of course you will get much of it right, but our experience shows management always miss a critical insight about what is important to customers and where they hang out.

A lot of people skip Power Categories. They just assume they are in the business they are in and do not look at the changing dynamics and ensure they are playing a game they can win. It is much harder (and expensive) to create growth if you aren't appealing to the power categories.

Some even skip Power Attributes as well and jump straight into which advertising or distribution strategy is right. Unless you know the motivating beliefs that you want people have about your brand, product or service it is impossible to come up with the most effective and efficient way of delivering it!

And many ignore some of the most effective Power Channels. Just because something can't be identified as a budget line in a P&L doesn't mean it isn't vital. Word of mouth based channels are a great example of this. Most successful brands, and all of those who are still close to their entrepreneurial beginnings, have created growth via a band of committed advocates.

The Growth Game

Where to start

It is easier to explain the Growth Game than it is to get it right for your business. However only you can get it right. Other people and specialist businesses can often provide inputs but only you can decide.

Make a plan to ask your customers about the things you are not sure of. This could be which game they think you play (**Power Categories**), what they think you do well (**Power Attributes**), what they think about your current products (**Power Propositions**) and where they expect to find you (**Power Channels**).

Make sure you are signed up for the More Growth ezine, you will receive further weekly emails from us discussing the various steps in "The Growth Game".

You can see the archive of previous issues and our latest thinking on our blog www.differentiate.co/blog.html

Checkout the results from clients who used Differentiate tools designed to help marketers and business leaders win "**The Growth Game**". These can be modified to fit your business situation and budget. There is more about these on our website www.differentiate.co

If you want to discuss these ideas then please contact us.

Stacey +44 20 8334 7210 email stacey@differentiate.co

Chris +44 20 8334 7202, email chris@differentiate.co

If you are in the GCC, Middle East or North Africa, then please contact

Ziad Kaddoura +971 5055 24305 email ziad@differentiate.co