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1 The Law of Increasing Returns	3
<i>The task facing a Challenger in competing strongly against a Market Leader is more intimidating than we might have imagined. This chapter explores the scale of the advantages their superior size—and the fact of leadership—brings, and points to why we need as Challengers to consider a different kind of strategic approach in order to succeed.</i>	
2 The Consumer Isn't	13
<i>Marketeers step into this new business world equipped with a set of basic assumptions about their business that have by now become dangerously flawed. The fundamental premises underlying everyday marketing vocabulary such as consumer, audience, and category require careful reexamination, and the implications of their weaknesses need to be understood—in particular, the consequent need for ideas, rather than communications, as the new currency of growth.</i>	
3 What Is a Challenger Brand?	24
<i>This chapter offers an entirely new kind of brand model for second-rank brands finding themselves threatened by the Brand Leader—the model of the Challenger brand. A Challenger brand is defined through three attributes: a state of market, a state of mind, and a rate of success. This chapter concludes by explaining how the core brands considered in Part 2 came to be chosen, and gives</i>	

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an example of how the book attempts to turn each significant Challenger case history into a relevant exercise that can be valuably applied to the marketer's own brand.

- PART 2 The Eight Credos of Successful Challenger Brands 33**
- What marketing characteristics do the great Challenger brands and companies of the past 15 years share? If we could identify those characteristics, how could we apply them to our own situation to generate a source of personal business advantage?*
This section identifies and discusses the common marketing strands these brands have shared and devotes eight chapters to discussing each in turn.
- 4 The First Credo: Intelligent Naivety 35**
- The great wave makers in any category are those who are new to it—like Jeff Bezos, who came out of finance to change the way books were sold, or Eric Ryan of method, who left advertising to reinvent the household cleaning business. This chapter looks at the need for marketers to break free from the clutter of little pieces of knowledge that are the basis of their strategic thinking in order to see the real opportunities for radical growth. It also offers ways for those already deeply experienced in a category to achieve this vital innocence.*
- 5 Monsters and Other Challenges: Gaining Clarity on the Center 61**
- Once you have explored the potential opportunities available to you as a Challenger, it is time to be clear about what your challenge to the category or another category player is going to be. This chapter explores a structure for thinking about that central challenge and discusses the key options open to us; this clarity is also a key part of laying the foundations for the strategic thinking that follows.*
- 6 The Second Credo: Build a Lighthouse Identity 80**
- Success as a Challenger comes through developing a very clear sense of who or what you are as a brand/business and why—and then projecting that identity intensely, consistently, and saliently*

to the point where, like a lighthouse, consumers notice you (and know where you stand) even if they are not looking for you. This chapter looks at the roots, source, and nature of such identities and how successful Challengers have built them.

- 7 The Third Credo: Take Thought Leadership of the Category 109**
- Marketeers tend to talk as if there is one Brand Leader in every category. In fact, there are two: the Market Leader (the brand with the biggest share and the biggest distribution) and the Thought Leader—the brand that, while it may not be the largest, is the one that everyone is talking about, that has the highest “sensed momentum” in the consumer’s mind. In this chapter the nature of Thought Leadership is analyzed, and the methods of achieving it are explored.*
- 8 The Fourth Credo: Create Symbols of Re-evaluation 134**
- Successful Challengers are brands in a hurry: they desire (and need) to puncture the consumer’s autopilot and create reappraisal of themselves and their category swiftly and powerfully. To do so, they create big, impactful acts or marketing ideas that capture the indifferent consumer’s imagination and bring about a rapid re-evaluation of their image in the consumer’s mind, and role in the consumer’s life. This chapter discusses some of the most striking of these symbols, what specifically it was about them that achieved the results they did, and what set them apart from being just another publicity stunt.*
- 9 The Fifth Credo: Sacrifice 156**
- Challengers have fewer resources in almost every aspect of the business and marketing mix than do the Big Fish—what they choose not to do, that is, what they choose to Sacrifice, is therefore as important to their success as what they choose to do. The nature of this Sacrifice and some of its key dimensions are the focus of this chapter.*
- 10 The Sixth Credo: Overcommit 171**
- The converse of Sacrifice is Overcommitment: the idea that, following the process of Sacrifice, if the marketeer or businessperson has*

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chosen to drive success through one or two key activities, then these must be successful—and to achieve that success the marketer must not just commit but overcommit. This chapter looks at examples of Overcommitment, and how we can reframe our own thinking and approach to key activities to ensure their success.

11 The Seventh Credo: Using Communications and Publicity to Enter Social Culture 189

For a Challenger, who is outgunned and outresourced in almost every other area by the Market Leader, the use of communications to create genuine salience in the world around us remains one of the very few remaining sources of competitive advantage open—but only if systematically embraced as such within the company. In this chapter, what it means to treat communication ideas and publicity as high-leverage assets in this way is discussed, as well as the changes in the communications development process that are required.

12 The Eighth Credo: Become Idea-Centered, Not Consumer-Centered 218

Success is a very dangerous thing—it causes brands and people to stop behaving in the way that made them initially successful. The eighth credo, then, encompasses how a Challenger maintains its momentum once it has become successful, in particular moving the organization from being consumer-dependent to focusing on the generation and implementation of ideas—ideas that constantly refresh and renew the relationship with the consumer.

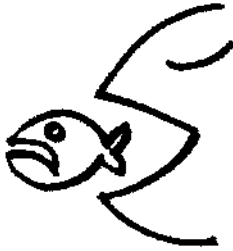
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For the marketer interested in beginning a Challenger Program, this chapter offers an outline of a two-day Challenger workshop, designed not to supplant a more rigorous and longer-term strategic process, but to kick-start it with a core group of colleagues. Using cases discussed in the book, it builds a series of exercises that can be powerfully applied to the marketer's own business to reveal the opportunities and potential that will allow it to compete aggressively against the Brand Leader.

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	<i>This chapter looks at what it means to be the person building and protecting a Lighthouse Identity, particularly in a new media world. After discussing who is the real “Lighthouse Keeper” in a new kind of consumer relationship where your users’ blogs can be as influential as your own media campaigns, it questions much of the misleading sound-bite journalism about the new marketing world, in particular the notion that the consumer is in charge and that new media is electronic and social media. It notes the four key vectors of change in modern brand building that are driven by our Lighthouse Identity—convenience and instant gratification, polysensual product experience, interactive participation, and social and environmental responsibility, and how the new breed of Challengers is leaning into one or more of these to further delineate their unique position in the world.</i>	
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15	Challenger as a State of Mind: Staying Number One Means Thinking Like a Number Two	293
	<i>Being a Challenger is not a series of actions in and of themselves—it is as much as anything else a state of mind. Therefore, although the book is primarily geared toward the particular needs of Challenger brands, this chapter pauses to consider the possible broader relevance of Challenger thinking and behavior in the marketplace. In particular, it looks at the lessons to be gained from a new generation of Brand Leaders and how they illustrate the way in which the rules of Brand Leadership have fundamentally changed—namely, why staying Number One now means thinking and behaving like a Number Two.</i>	
16	Risk, Will, and the Circle of Rope	303
	<i>The book concludes by discussing the more intangible characteristics of Challengers—luck, emotion, and the preparedness to embrace risk.</i>	
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