

CREATING WHAT

PEOPLE LOVE

BEFORE THEY KNOW

THEY WANT IT

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with KARL WEBER

Demand: Introduction

Alongside the dismal economy that dominates the headlines – the one that became mired in recession in 2008, and in which one industry after another is experiencing stagnation – there is another economy.

In this other economy, the demand engine is almost ridiculously strong, operating in overdrive. Here, a handful of companies are not just doing better than their competition, they are doing exponentially better. They enjoy runaway growth and extraordinary customer loyalty because they create new products and services that not only attract demand, but actually *excite* people. In this economy, companies are growing, profits are robust, jobs by the hundreds of thousands are being created, and the lives of millions of people are being enhanced in ways large and small.

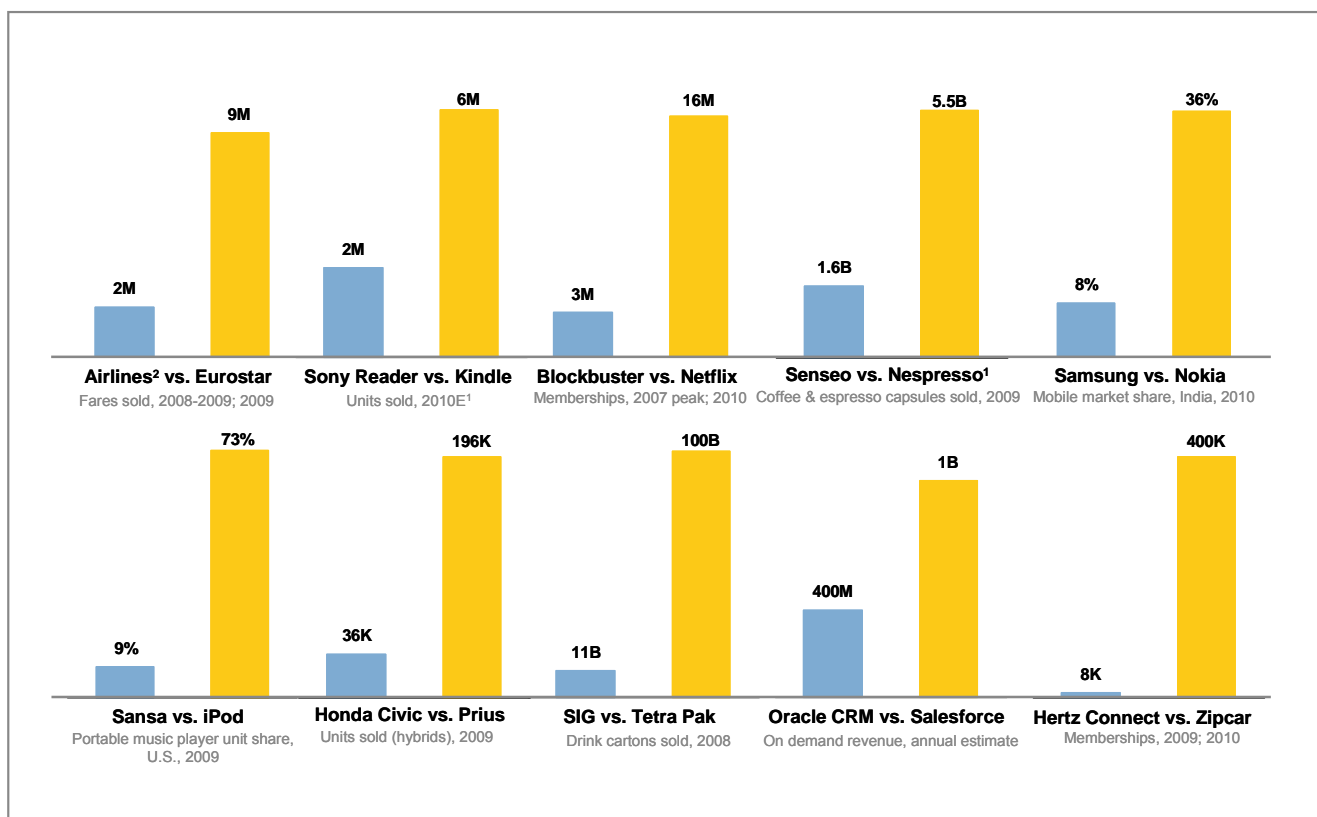
The unpredictable challenges of demand creation produce an endless stream of head-to-head matchups: Facebook versus MySpace, the Toyota Prius versus the Civic Hybrid, iPod versus Sansa, Eurostar versus British Air, and many others. In each case, consumers disproportionately demand one seemingly comparable product over another – not by a few percentage points, but by a factor of six or even ten to one. Why? What makes demand differ so dramatically when the underlying goods appear so similar?

Demand provides a groundbreaking framework of seven “demand levers” employed by those who have aced the demand equation. It is illustrated with engaging narratives of clever and persistent companies that got it right. To create the killer offer – things customers can’t resist and competitors can’t copy – these businesses far outperform their peers along seven dimensions:

- Hassle map
- Magnetic
- Backstory
- Triggers
- Trajectory
- De-averaging
- Special team

Demand Creators

Why do seemingly similar products achieve such vastly different results in demand creation?

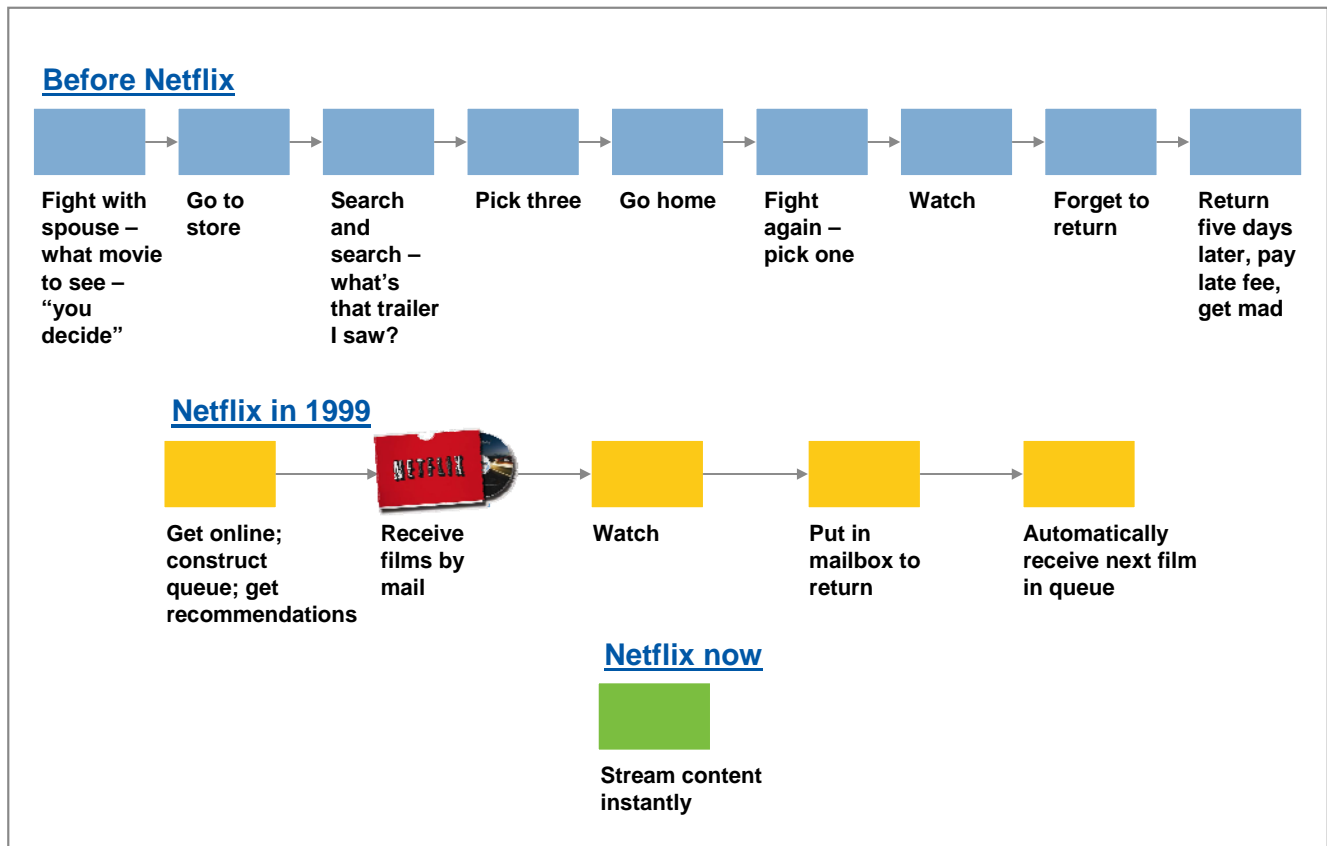


Demand creators do a radically better job answering a small set of critical questions:

- What is the hassle map of my customer?
- Is my product very good, or magnetic?
- How strong is the backstory behind my product?
- Have we found the three most productive triggers that help our customers to buy?
- Is our improvement trajectory 5°, or 45°?
- How cost effectively do we meet the needs of different *types* of customers?
- How special and excited is my team?

Hassle Map

Netflix solved the hassles of the traditional movie rental model; then did it again.



Hassle Map (ha' sul mǎp) *noun pl.* **1.** A diagram of the characteristics of existing products, services and systems that cause people to waste time, energy, money **2.** (from a customer’s perspective) a litany of the headaches, disappointments, and frustrations he or she experiences **3.** (from a demand creator’s perspective) an array of tantalizing opportunities.

Drawing hassle maps, both literally and figuratively, will help you to:

- Identify the customers’ emotional hot spots
- Identify the economic hot spots for the customer *and* the supplier
- Change the engineering/technical agenda
- Change the business agenda (what deals, alliances, licensing do we need to create a complete offer?)
- Identify the toughest economic trade-offs to resolve

Hassle maps help demand creators see the difference between what customers buy, and what they really want.

Magnetic

What separates the magnetic from the very good?

Any MP3 player	vs.	iPod
Sony Reader	vs.	Kindle
Civic Hybrid	vs.	Prius
MySpace	vs.	Facebook
Blockbuster	vs.	Netflix
Yahoo Search	vs.	Google
Hertz Connect	vs.	Zipcar
Illy	vs.	Nespresso

Magnetic (mag net' ik) *adjective*. 1. extraordinarily and irrepressibly attractive
2. combining great functionality with intense emotional appeal 3. capable of producing a powerful stream of demand.

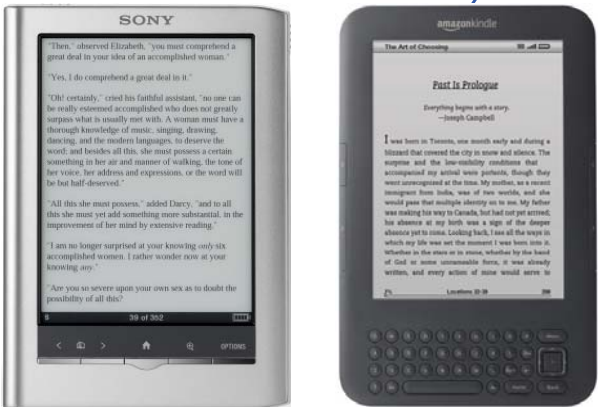
Demand creation begins with a very tough realization: “very good” *does not equal* “magnetic.”

Demand creators don't stop development until they get to “magnetic.” A magnetic product is not merely very good but absolutely irresistible, generating excitement among customers, enthusiasm among the employees who deliver it, and conversation everywhere.

Magnetic products have great functionality – they are technologically or qualitatively superior to rival products and save money, time, and energy for customers. But they also have enormous emotional appeal – the spark of uniqueness, beauty, cleverness, or delight that transforms the ho-hum into the gotta-have-it.

They tell a story, and they enable customers to tell a story about themselves. When it comes to creating demand, it's not the first mover that wins; it's the first to create and capture the emotional space.

Backstory



The image shows two e-readers side-by-side. On the left is a silver Sony e-reader displaying text from a book. On the right is a black Amazon Kindle e-reader displaying the title page of 'The Art of Cheating' by Joseph Campbell. A blue line points from the Kindle to a text box on the right.

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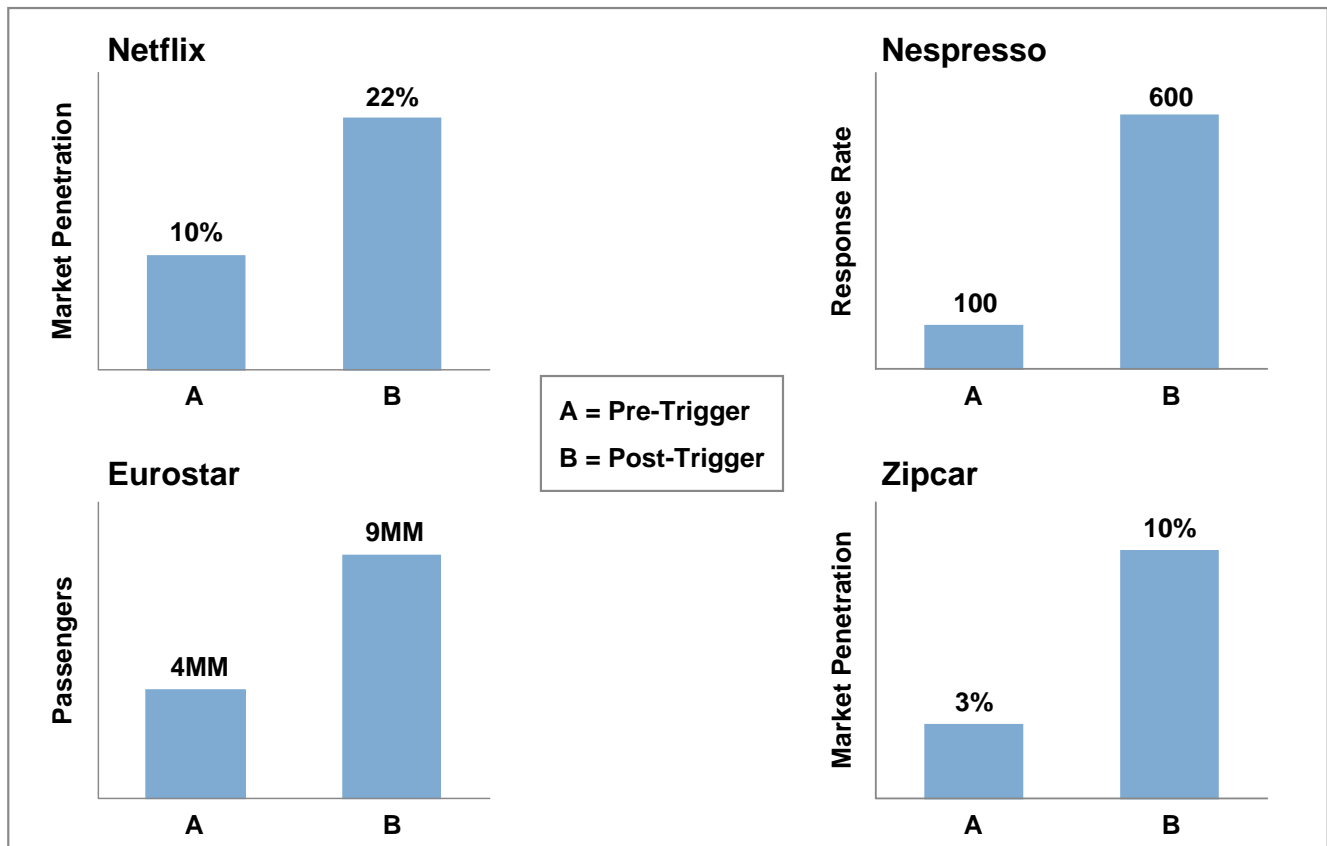
Backstory (bak' sto ri) *noun*. 1. elements beyond the product itself that make a product magnetic 2. often - overlooked factors, including infrastructure, ecosystem, and business design, that are essential to creating demand.

Great demand creators understand the power of backstory, and they invest the time, energy, and creativity needed to put *all* the necessary backstory elements in place. Those elements may include:

- Infrastructure (Can the product be delivered to customers efficiently and affordably?)
- Ecosystem (Can others be engaged to jump start and leverage the demand creation process?)
- Business design (How can the system be structured to serve customers best – and to keep on learning from them?)

And as many demand creators have discovered, it's not enough to have ninety percent of the backstory pieces in place – until the backstory is truly complete, demand simply doesn't happen.

Triggers



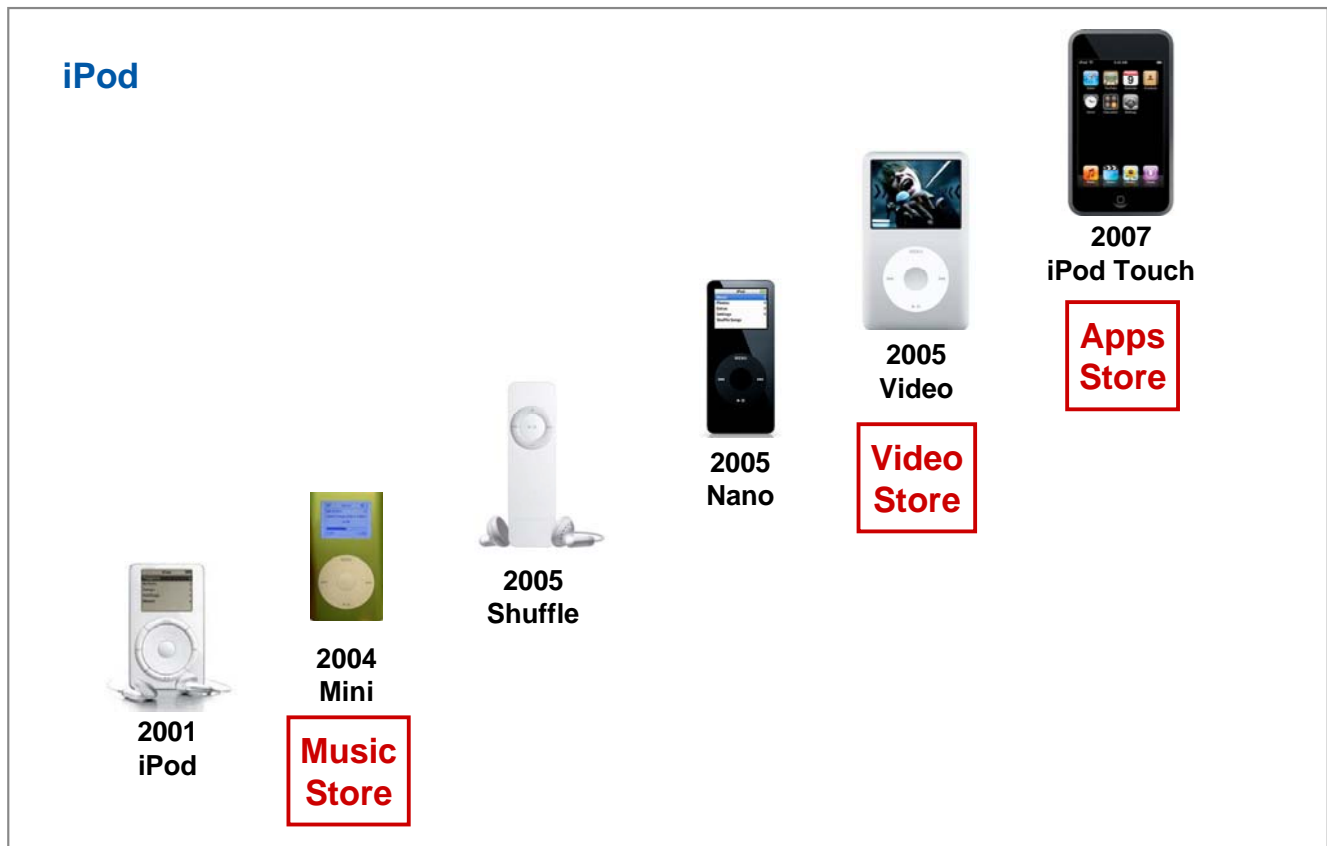
Trigger (trig'ar) *noun*. 1. the difference between hearing about a product and buying it 2. a critical element in the business design that makes it easy for people to get truly excited about a magnetic product and transform themselves into customers 3. something that helps me buy something I really want 4. something that turns fence-sitters into customers.

The biggest mistake we make is to assume that a magnetic product is enough. It isn't.

Different products require different kinds of triggers. Some triggers work by improving the product's functional qualities (speeding delivery, enhancing convenience). Others work by increasing the product's emotional appeal (making it cooler, more beautiful). And still others simply make it easier for customers to discover for themselves how magnetic the product is (through a free trial, a demonstration, or an irresistible offer).

Great demand creators are constantly searching for and *experimenting with* the right triggers, and when they find the triggers that work, they invest in them relentlessly.

Trajectory



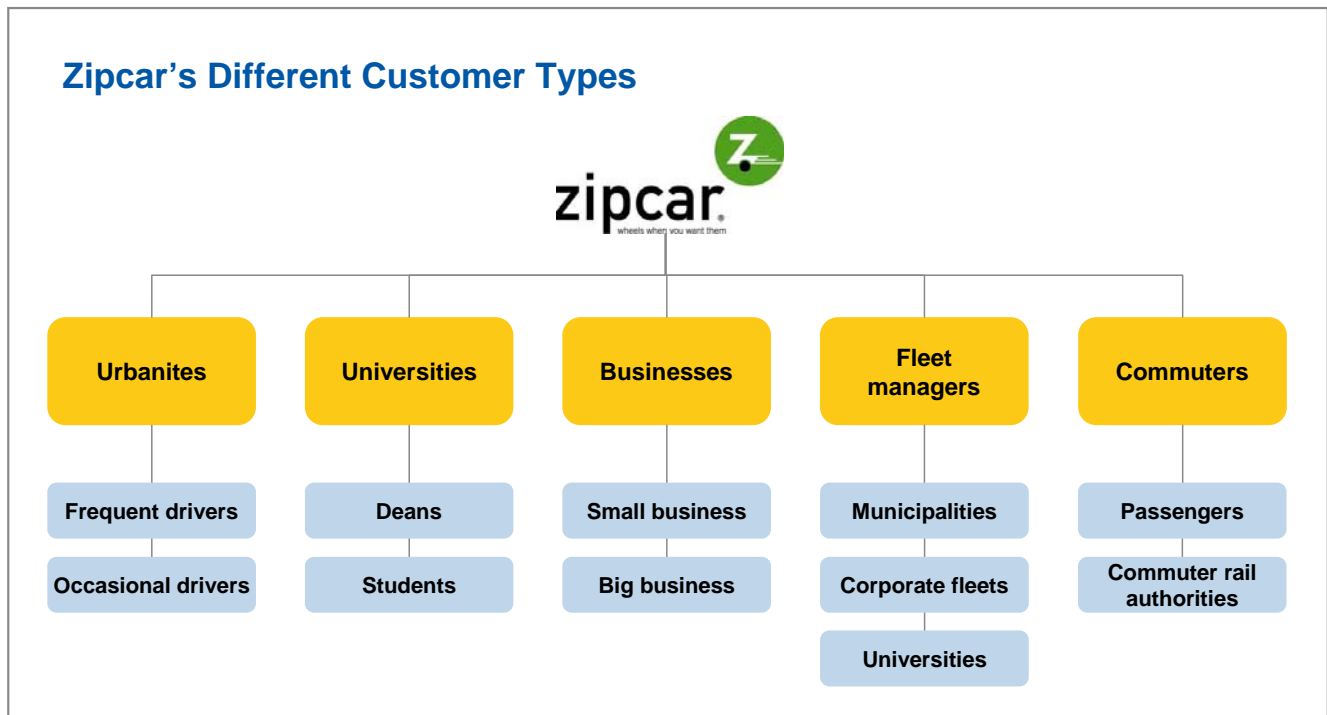
Trajectory. (truh jek' tuh ree) *noun*. 1. the rate at which the magnetic characteristics of a product are enhanced over time 2. continuous performance improvement as a driver of demand.

Demand creators don't see a product's launch into the marketplace as the last step in the process, but merely as the first step in a series of attacks upon the indifference of the market.

On launch day, demand creators jump into the next phase by asking themselves a very simple question: How fast can we get better? They know that every improvement they make – technical or emotional – will unlock new layers of demand, and leave less open space for imitative, piggy-backing competitors.

Trajectory thinking separates demand-creation winners from also-rans.

De-Averaging



Variation (ver e a' shun) *noun*. 1. the different hassle maps experienced by different types of customers 2. the art of respecting and responding to differences in customer needs, preferences, and behavior 3. the science of developing cost-effective ways to provide individual customers with products that precisely fit their varying needs.

Great demand creators recognize the enormous variation that exists among customers, and they love it.

While supply-side thinkers (most of us) hate customer variation because it makes things more complex, demand creators use cost-effective variation to enhance the specificity of their product's magnetism for different types of buyers, intermediaries, and influencers. Demand creators:

- De-average complex markets – recognizing that the “average” customer is a myth, and that different customers (and even the same customers at different times) have widely varying hassle maps.
- They find efficient, cost-effective ways to create product variations that more perfectly match the varying needs of customers, getting rid of overages (things we don't want) and underages (gaps we want filled)
- Improve their product's fit for different customer types from sixty percent to ninety percent, or better.

Special Teams

Can we learn something from Pixar about how to engage the entire team to create demand?

“A movie contains literally tens of thousands of ideas. They’re in the form of every sentence; in the performance of each line; in the design of characters, sets, and backgrounds; in the locations of the camera; in the colors, the lighting, the pacing. The director and the other creative leaders of a production do not come up with all the ideas on their own; rather, every single member of the 200- to 250-person production group makes suggestions.”

– Ed Catmull, Pixar President

Demand creators are skilled at transmitting the demand way of thinking to many other people. They build self-replicating teams that are obsessed with customers and their needs, obsessed with that magical difference between what customers buy and what they *really* want. In this way, they are able to reduce hassles and provide life-improving products not just for a handful of people but for the thousands or millions of customers that only a great organization can reach.

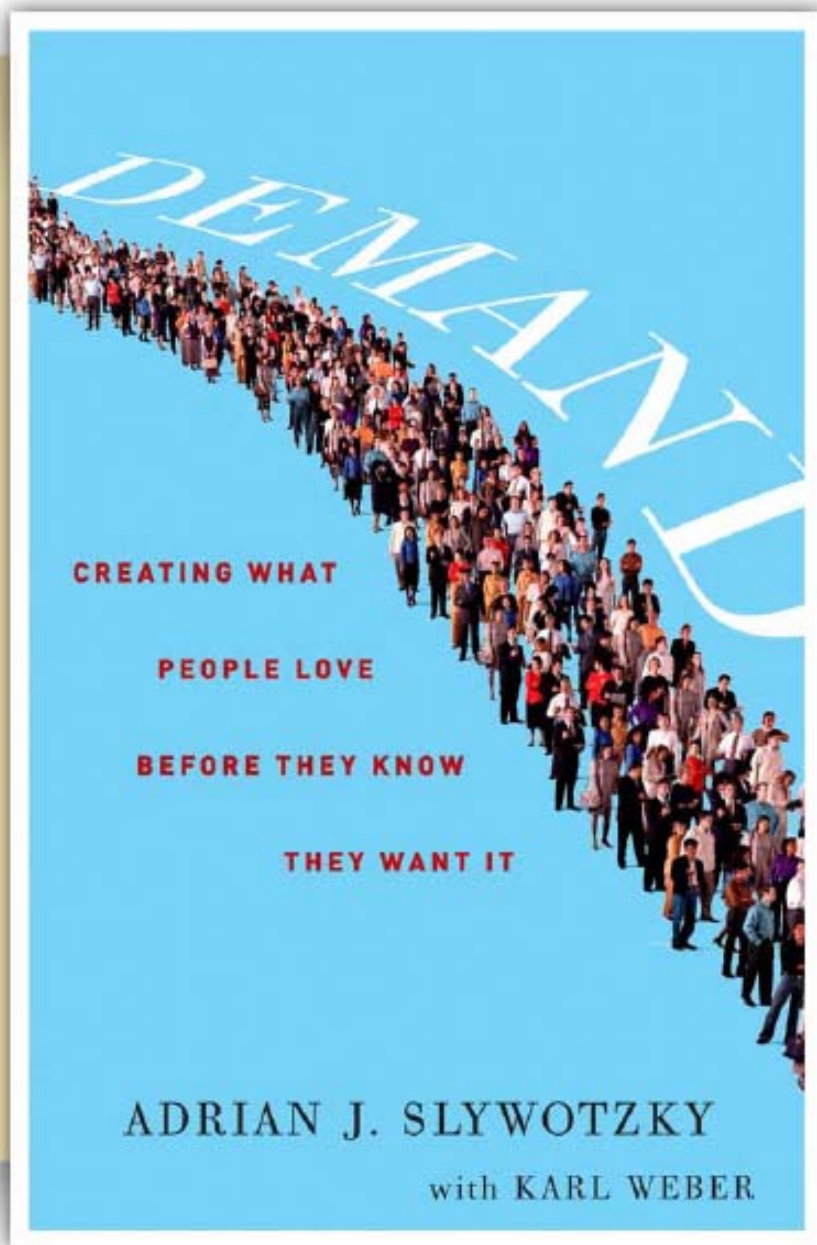
When confronted with the same question we’ve been pondering – Where will tomorrow’s demand come from? – demand creators and the organizations they lead don’t point to the government, the *Fortune 500*, or to macro-economic forces.

Instead, they look in the mirror.

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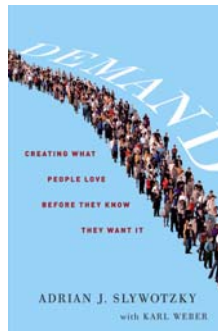
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