

A conceptual image featuring a large, translucent blue sphere with a cracked, shell-like texture. The sphere is positioned in the center, resting on a calm, blue surface that reflects its base. The interior of the sphere is dark and hollow. In the background, a bright white circle, resembling a full moon, is set against a dark blue sky with wispy clouds. The overall color palette is dominated by various shades of blue, creating a serene yet mysterious atmosphere.

Chapter 5

Reach Beyond Existing Demand

Objectives

- How to read beyond existing demand
- The existence of a soon to be non customers
- How to lure in the so far hesitating and consciously refusing non customers .
- How to tap the hitherto unexploited market potential

Introduction

- We will go deep into the creation of blue ocean.
- It also deals with the problems that may arise in expanding the size and boundaries of an existing organization to its maximum.

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Reach Beyond Existing Demand

- One of the principles of blue ocean strategy is reaching beyond the existing demand.
- To overcome this challenge the companies have to do away with certain conventional strategies.

Reach Beyond Existing Demand

- To avoid this ,the companies have to take reverse course.
- They have to shift there focus from customer to non customer.
- These factors made it quite a time consuming proposition to master the game.

Reach Beyond Existing Demand

- Taking these hurdles which dissuaded masses away from golf ,Call away created a new demand for the game .
- Callaway did not focused on the difference of customers with non customers.

Three Types of Non-Customers

- Non consumers form a major part among world population.
- The companies should find out the various non customer and think of the ways to convert them into customer.

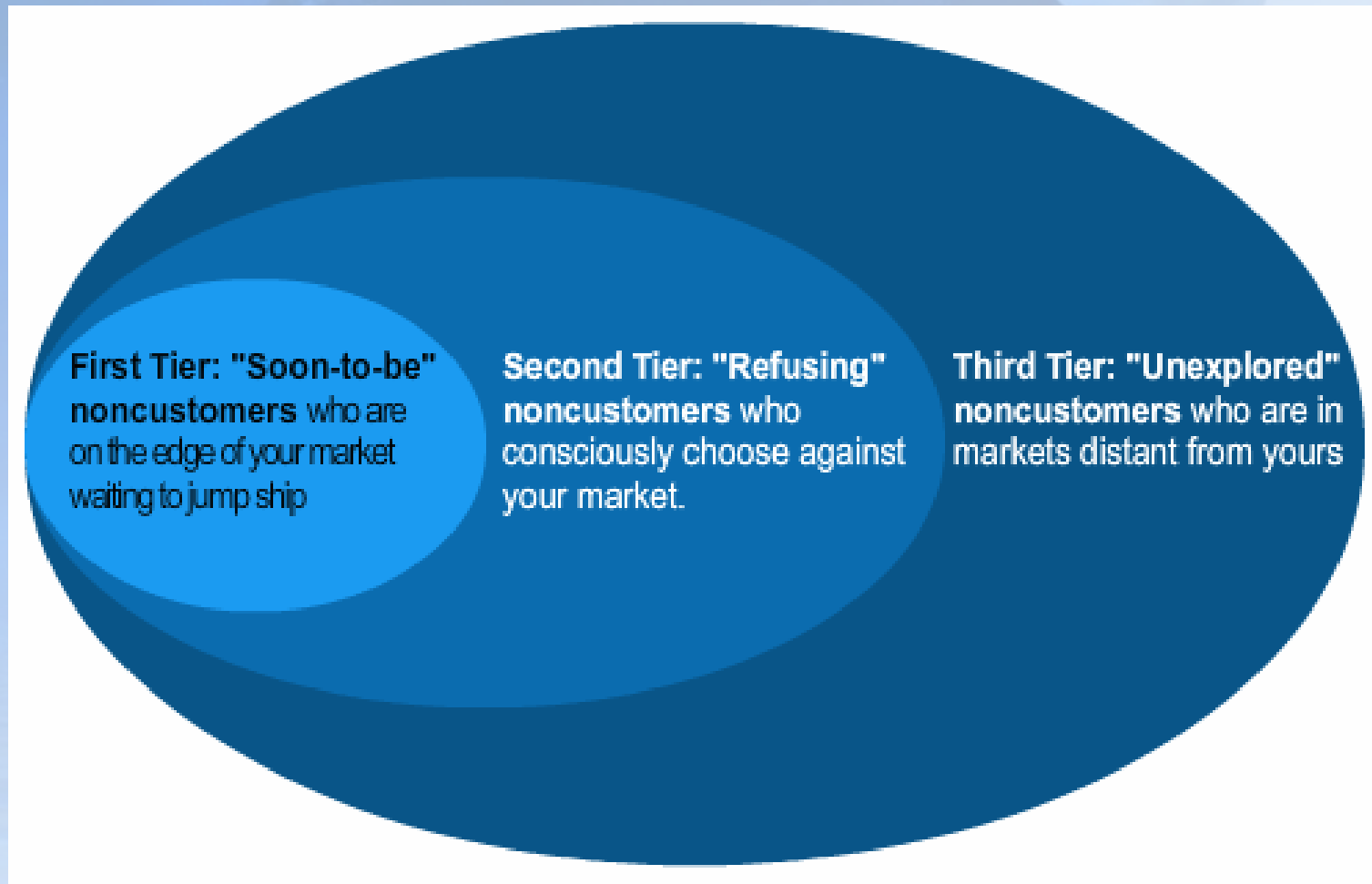
Three Types of Non-Customers

- The non customers could be separated into three categories.
- The first tier of customers
- They sit on the fence of market

Three Types of Non-Customers

- We have chunk of customers who refuse your product outright.
- There exist a third of non customer.
- They are far off from your market
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The three tiers of non customers



First Tier Non-Customers

- Those who consume a minimum of our products fall in this category.
- An ocean of untapped soon to be non-customers ,it brought to the market before they loose out will create wonders

First Tier Non-Customers

- Consider the case Pret A manager ,a British Fast Food major founded in 1998.
- Pret expanded its blue ocean boundaries by tapping the latent demand of the first tier non customer in huge numbers.
- They shared the three key commodities

First Tier Non-Customers

- Pret found solutions for all the three.
- It offered better quality sandwiches
- They eliminated time consuming factors
- Pret succeeded in attracting and tapping the soon to be first tier non customers.

Second Tier Non-Customers

- This forms a major sector of non consumers.
- They are the people who either do not purchase identity or simply cannot use because of there poor economic conditions.
- JC Decaux (JCD) ,a French outdoor space seller for advertiser ,pulled up refusing non customer into its fold.

Second Tier Non-Customers

- Outdoor advertising was not popular with many companies as the media was ineffective as they failed to carry comprehensive message introducing new product.
- JCD found that the commonalities that force the non customers of advertising industry was lack of stationary vision.

Second Tier Non-Customers

- In response to JCDcaux's exceptional value offering the second tier refusing non customers flocked to them.
- With his business model JCDcaux was able to garner a leap in value for itself in return for a leap in value created for its buyers.

Third Tier Non-Customers

- The third tier non customers belong to the hitherto unexplored non customers.
- They are great in numbers.
- Take a example of oral care industries for dental whitening care.

Third Tier Non-Customers

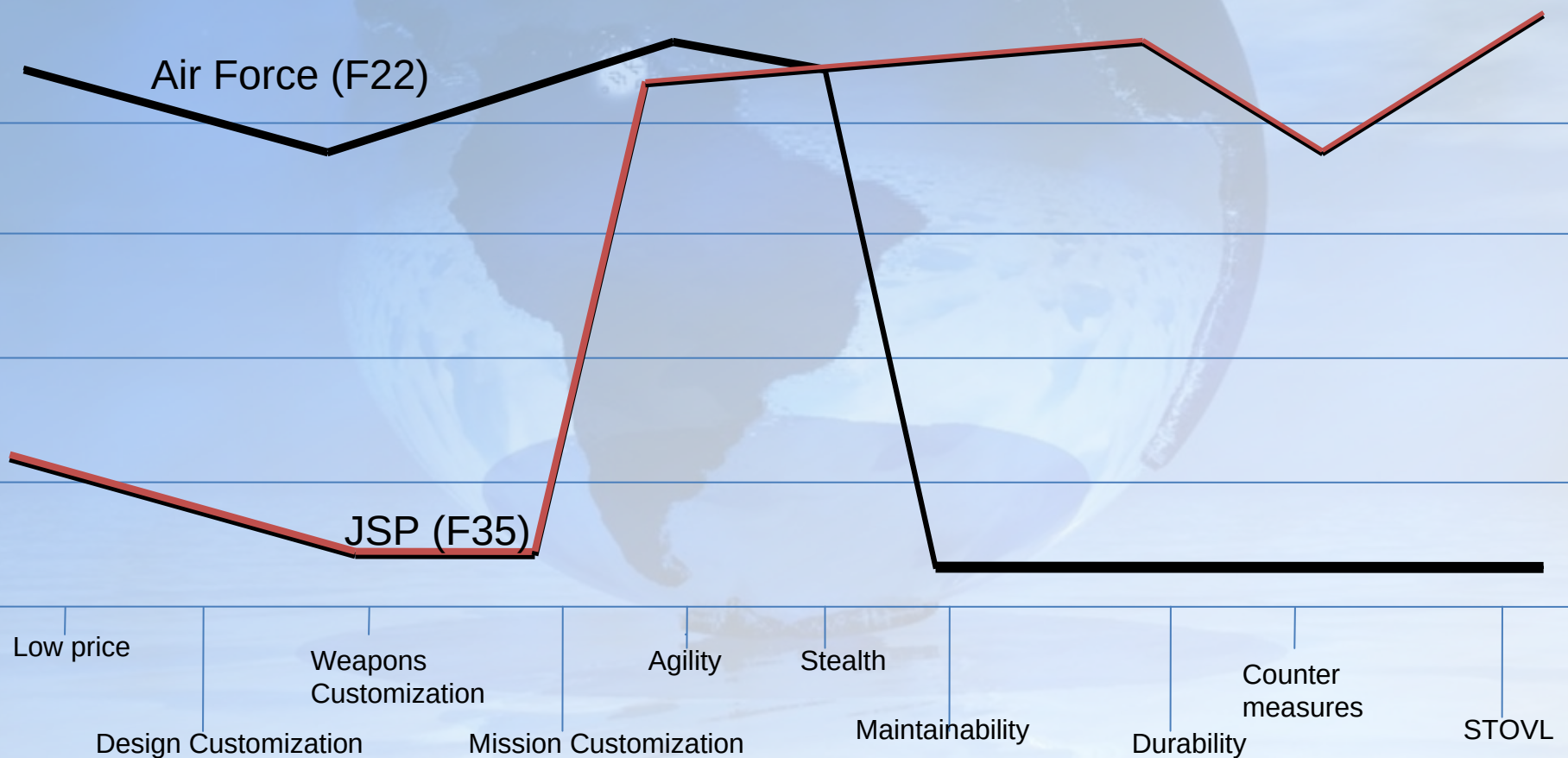
- To keep the soaring military expenses under control was a big problem for US.
- A 1993 Pentagon report says that military failed to formulate a viable plan to replace its aging aircraft fleet.
- JSF program looked into the commonalities of three defense forces.

Third Tier Non-Customers

- JSF considered the special need and requirement of all three forces.
- Hence they could do away with certain factors which provided less or little value.
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JSP (F-35) Vs Air Force (F-22)



Third Tier Non-Customers

- Thus JSF succeeded in reaching beyond the existing customers and brought the unexplored third tier non customers within there boundary by creating blue ocean.

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History

- In 1993 DARPA executed the Joint Attack Fighter Program
- The JAF saves costs by developing a common airframe usable to all services. It replaced the Navy's A/F-X program.
- In 1993, the Joint Advanced Strike Technology Program absorbed the Common Affordable Lightweight Fighter and the Short-Takeoff and Vertical Landing program.
- This program resulted in the JSF aircraft in 1996. The JSF X-35C underwent flight testing in 2000 and 2001. Now the JSF F-35 will soon be ready for production.

A Model

- Conventional take-off model for the Air force to replace F-16 and A-10.

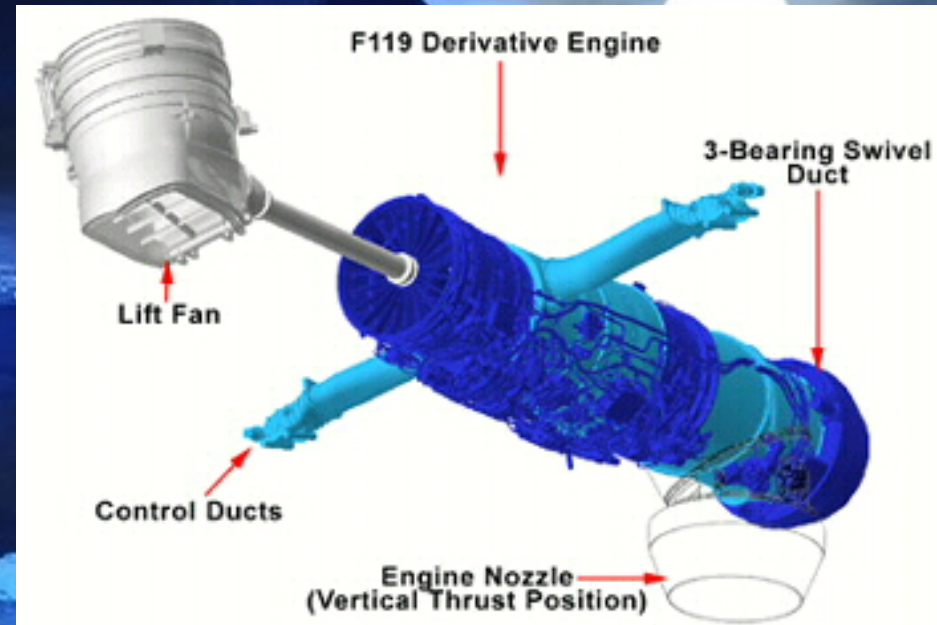


Vehicle Description

- 3 Variants
 - Different models for the Air Force, Marines, and Navy
 - All three have stealth technology with saw-toothed edges on bay doors and canopy
 - 2 internal bays as well as six hard points on the wings for when stealth is not needed
 - Offer in-flight refueling

B Model

- Short/Vertical Take-off and landing model for the Marines
- Features a ducted-lift fan directly behind cockpit in place of fuel tank as well as the nozzle of the main engine can swivel downward



C Model

- Designed for Navy Aircraft Carriers
- 35% larger wing which allows more fuel to be carried as well as better performance at slow approach speeds
- Increased fin and elevator areas, enlarged control surfaces
- Strengthened landing gear with two nose wheels, tail-hook, catapult launch bar, folding wings, strengthened airframe

Navy Variant (left) and Marine Variant (right)



Summary

- This chapter is all about maximizing boundaries of your blue ocean.
- It deals with three tiers of customers.
- We have another big set of non customers who refuse your product outright.

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End of Chapter 5

Reach Beyond Existing Demand