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PRESS RELEASE

BLUE OCEAN STRATEGY

How to Create Uncontested Market Space and Make the Competition Irrelevant

Since the dawn of the industrial age, companies have engaged in head-to-head competition. They have fought for competitive advantage, battled over market share, and struggled for differentiation. Now imagine instead the prospects for growth if companies could operate with no competitors at all.

In *BLUE OCEAN STRATEGY: How to Create Uncontested Market Space and Make the Competition Irrelevant* (Harvard Business School Press; February 3, 2005), W. Chan Kim and Renée Mauborgne challenge everything you thought you knew about the requirements for strategic success, and instead argue that the way to win is to *stop* competing.

By studying 150 strategic moves in over 30 industries spanning more than 100 years, Kim and Mauborgne, Europe's leading strategy guru team, set out to find a systematic pattern for achieving high growth that any company could replicate. From **Ford's** Model T to **Apple's** iPod, they identified 150 strategic moves that had one thing in common. All of them made the competition irrelevant and created an uncontested market space with the limitless potential of a blue ocean.

- **Curves**, the Texas-based women's fitness company, entered the oversaturated fitness market to acquire more than two million members in more than six thousand locations with total revenues exceeding the \$1 billion mark.
- In less than twenty years, **Cirque du Soleil** grew to levels of revenue that took Ringling Bros. and Barnum & Bailey over a hundred years to achieve.
- The [yellow tail] brand of Australian winery **Casella Wines** took only two years to skyrocket to #1 in the fiercely competitive U.S. market for imported wine.

Each of these companies created blue oceans that made the competition irrelevant. The strategies they used can be replicated in any industry and in every company—start-ups and established Fortune 100 companies alike—with the tools and principles presented in **BLUE OCEAN STRATEGY**.

Most companies make the mistake of battling for success in a bloody “red ocean” of rivals fighting over a shrinking profit pool. In the red ocean, industry boundaries are defined and accepted, prices are driven lower, and the competitive rules of the game become known. As the market space gets increasingly crowded, prospects for profits and growth decline. To create blue oceans, Kim and Mauborgne argue that companies need to use an opposite approach. Instead of benchmarking the competition, they set their own rules and create “blue oceans” of uncontested market space ripe for growth.

By changing their strategic thinking and using a systematic approach, the authors show how companies can reach beyond existing demand to find a blue ocean of new market space with the potential for huge profits and growth.

In the red ocean, companies limit their own growth by only seeking customers from the current market. Instead they should look to non-customers outside of the market so they can create a new market space as vast and limitless as a blue ocean. That's what **Callaway Golf** did to open up a blue ocean of new demand for golf equipment with “Big Bertha,” a large headed golf club designed for non-golfers who were intimidated by the challenging sport.

In the red ocean, companies only question how customers make choices between competitors in the same industry. But companies that create blue oceans understand that customers look across industries to make choices. **NetJets** understood that corporate customers were faced with choosing between the speed and flexibility of a corporate jet or the better price of business class on a commercial airline. With fractional jet ownership, **NetJets** offered customers the best of two established industries and created a new industry that now generates billions in revenues.

In the red ocean, companies create small markets for their products and services by segmenting customers. But companies that create blue oceans seek out commonalities among all customers that can create mass demand and huge profits. **The Joint Strike Fighter Program** designed the superior fighter plane for the common use of the Navy, Marines, and the Air Force—three different customer segments which previously purchased their aircraft separately—by thinking in terms of what unites customer segments, not what divides them.

While all blue oceans eventually inspire imitators, the unconventional logic of true blue oceans renders competitors obsolete for decades. For example, **The Body Shop's** blue ocean of functional cosmetics left competitors paralyzed for over a decade since they were unwilling to give up their models, expensive advertising, and promises of eternal youth.

Sharing their research of how scores of companies from **Samsung** to **Avery Dennison** have put their ideas into practice, Kim and Mauborgne share with readers proven principles for creating and executing effective blue ocean strategies with maximum size and minimum risk. They offer a detailed framework for executing a blue ocean strategy, building a viable business model to profit from it, and mobilizing people for the voluntary cooperation needed to execute blue ocean strategies.

BLUE OCEAN STRATEGY offers an inspiring message: that success is not dependent on fierce competition, expensive marketing or R&D budgets, but on smart strategic moves that can be used systematically by established companies and startups alike. The tools they describe level the playing field for success.

At a time when global competition is intensifying and supply exceeds demand, this landmark work will chart a bold new path to winning the future.

BLUE OCEAN STRATEGY has already broke HBSP's historical record of most foreign licenses ever obtained. To date, it is coming out in 23 languages plus English. The previous record holders were The Balanced Scorecard at 22 languages and Strategy as Revolution at 21 languages.

The first print run of **BLUE OCEAN STRATEGY** is 125,000 books.

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