

When the best
isn't good enough
anymore.

Different is the only way to win.

The most exciting companies don't build better products. They change the game. They invent a whole new market space where they can be kings and make what came before seem obsolete.

That's category design.

19%

of Fortune's 100 Fastest-Growing Companies
are category designers.

But
they are
capturing

51%
of revenue
growth

and

80%

of market capitalization.¹

**They don't obey the rules or play by them.
They make them.**

What

is

In its purest sense, category design is a company-wide strategy. It involves creating a great product, a great company, and a great category at the same time.

It's a business strategy that drives and shapes every aspect of an organization, from its product offering and marketing strategies to its organizational structure and culture.

category

design?

In practice, category design is the art
of creating a market category your
competitors can't play in.

It's about creating a powerful and provocative story

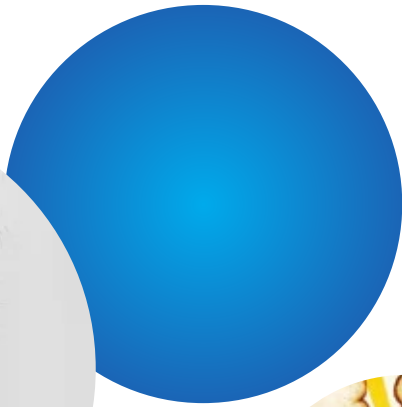
that compels customers to make a choice by
evoking something different from
what came before—and not just better.

It's the opposite of following the crowd.
It's a ruler-takes-all positioning strategy that takes
you outside the "better" wars and sets you
in a space all of your own.

It's not a recent phenomenon.

Throughout the years, many companies intentionally or unintentionally created new categories.

They are the companies that taught us how to think different 😊. They did so by reimagining a known problem or identifying a problem we didn't know we had—and solving it.



In retrospect...

Steve Jobs is one of the best category designers of his generation. He had a deep understanding of users' needs and a knack for identifying unmet needs to create products that filled those gaps. Jobs helped develop numerous new categories: the personal computer, digital music player, smartphone, and tablet. All of these innovations have shaped our lives forever.

Wonder Bread is another great example of category design. In the 1940s, bread was typically sold in loaves sliced by the customer or the baker. Wonder Bread's strategy was to create a new category of pre-sliced bread that was more convenient and appealing to customers. Through its innovative packaging and marketing, Wonder Bread transformed the bread industry and created a new market for pre-sliced bread.

In the early 1970s, package delivery was slow and unreliable, with most companies relying on the postal service or other carriers for their shipping needs. **FedEx**'s changed all that with fast, reliable, and guaranteed overnight delivery services. FedEx transformed the package delivery industry through its innovative hub-and-spoke system and focus on customer service and created a new category of express delivery services.

And who doesn't remember the Walkman (if you are over 40, of course)? Introduced by Sony in 1979, the **Walkman** is another classic example of category design.



Sony marketed the Walkman as a device that could provide a personal soundtrack for people's lives, allowing them to enjoy music while jogging, commuting, or simply relaxing. The Walkman quickly became a cultural phenomenon; Sony sold millions of units around the world.



NETFLIX



HubSpot

Category kings are all around us.



Uber

Google

They create entirely new categories of businesses or entirely new ways of doing things. They are not necessarily the first to come up with a new idea, patent, or invention, but they are the best at framing a problem and marketing it.

Businesses of all sizes can be king.

Category kings exist in all shape or form. There are not all multinational organizations. They can also exist at a local level. These are the companies that have succeeded in distinguishing themselves because they do different.

They niche down.

They focus on solving a specific problem. Something they can own. They didn't let their industries, competitors, and even their customers dictate how they should do things. They took control. They created their own market space. A niche within a larger category that caters to a small and specific audience.



By positioning Evnia as a specialized firm in environmental compliance, eau³ has helped them take ownership of a new consulting category: the management of ecofees.

Turning problems **into categories.**

The best way to design a category or a niche category is to find a problem that remains unanswered.

In B2B, no one buys a solution until they identify with a problem. This means that every buying decision people make is linked first to a category.

Two types of problems inspire new categories.

1 A known problem is reimagined or redefined due to a new generation of customers, an innovative new technology, or a fresh angle to solve it.

2 A problem customers don't know we have yet!

Specific case

Challenges

Ensure Duvaltex's commercial fabrics are specified by architects and designers in order to increase demand from office furniture manufacturers.

Solution

Create a new niche category (Clean Impact Textiles) for biodegradable commercial fabrics that will empower the world's best brands to rethink the way products are sourced, manufactured, and disposed of at the end of their useful life.

Results

By creating Clean Impact Textiles, Duvaltex took ownership of the conversation on biodegradable textiles and positioned itself as the leader of this new category by solving the daunting problem of how to deal with polyester textiles at the end of their useful life.

Today, the industry's most influential players are also jumping on the biodegradable bandwagon, making what came before obsolete, thereby generating demand.

CLEAN IMPACT **TEXTILES**™



Market the problem, not just the solution.

Category design takes people on a journey. From the ways they used to think to a new frame of reference. If you change how they think, they will change their buying behaviours and crown you king!

What does it all mean?

When you embark on this journey, your number-one job is to change the way people think.

You must condition your customers' brains to truly see the problem—and your solution as the only answer.

Your product, your company culture, and your marketing strategy: everything must be aligned with transforming the way your customers think.

At eau³, we believe that identifying and defining your market category is as critical to your success as the quality of your services or products. It can lead to increased customer loyalty and profitability as well as a distinctive competitive advantage in the marketplace.

Key steps

- 1.** Identify a problem or opportunity that is not being addressed by existing market categories.
- 2.** Envision the category and how to build it.
- 3.** Define it in a way that clearly differentiates it from existing categories.
- 4.** Transform your company and/or product to attack it.
- 5.** Market the problem and position your company as the leader of this new category.
- 6.** Generate a network ripple effect by building a community of partners that have a vested interest in the success of the new category.

**Categories
make brands.**

**Brands don't make
category kings.**

**Category
design does.**

Specific case

Challenges

Incite concrete manufacturers to tap into the green concrete market and opt for CarbiCrete retrofit solution.

Solution

Support their retrofit solution by the creation and commercialization of a new niche category (cement-free concrete) that will set the ground rules of the industry's decarbonization transformation and allow concrete manufacturers to become the vanguards of the market shift.

Results

By establishing cement-free concrete as a category, CarbiCrete asserts that cement-based concrete is obsolete. This enables CarbiCrete to focus its narrative on the adverse environmental impacts of cement, prompting architects and engineers to specify cement-free concrete, thereby creating demand for manufacturers.



For nearly two decades, we have been positioning companies to differentiate themselves in the market. Without actually naming it, we, too, have been doing category design.

Drawing inspiration from Christopher Lochhead's work, we have incorporated the practice of category design into our approach, enabling our clients to engage in a more profound reflection during their positioning journey.

By working more holistically, we provide a proven strategic approach for differentiating your product and service as well as identifying new market spaces.

**Together, let's design
your category.**



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