

NANO TOOLS FOR LEADERS®

THE ATTRIBUTE MAP: A TOOL FOR CREATING COMPETITIVE ADVANTAGE, PART TWO

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes — with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

Contributor: Ian MacMillan, The Dhirubhai Ambani Professor of Innovation and Entrepreneurship; Professor of Management; Director, Sol C. Snider Entrepreneurial Research Center, The Wharton School

THE GOAL:

Build ongoing competitive advantage by knowing what your customers care about most.

NANO TOOL:

An Attribute Map is a highly effective tool for assessing your customers’ real needs and desires. It simplifies the complexity of your customers’ reactions to your product or service and your position with respect to competitors. Attribute maps let you clearly see where additional resources could have the greatest impact and give you objective information about the likely consequences of a move.

THE ATTRIBUTE MAP			
	Basic	Discriminators	Energizers
Positive	Nonnegotiables	Differentiators	Exciters
Negative	Tolerables	Dissatisfiers	Enragers Terrifiers Disgusters
Neutral	So-whats	Parallel differentiators	No such beast

[Part 1](#) of this Nano Tool offered steps for creating an Attribute Map. Here, we explore three specific ways to mine your attribute map for a “marketbuster” — an exceptional opportunity for growth.

HOW COMPANIES USE IT:

The following examples illustrate how organizations, through careful analysis of a customer segment, added differentiators and empathy, and eliminated complexity, to better meet those customer’s needs and desires.

- **Enterprise Rent-a-Car** started as an executive leasing company, primarily targeting the B2B segment. In an industry dominated by the airport-based, short-term rental model, Enterprise identified an untapped market: “home city” rather than business or leisure rentals. In particular, it focused on insurance companies needing replacement cars for customers whose cars had been damaged or stolen. Although Hertz and National tried the “home city” model, neither found success with it. Enterprise is now the largest rental car company in the world, with revenues of over \$14 billion.
- Trendy clothing company **Hot Topic** received persistent requests from its target segment for clothing in larger sizes. Overweight women, ages 15-29, felt ignored by existing providers and wanted to wear styles similar to their slimmer peers. Hot Topic responded by creating its Torrid line, offering apparel, shoes, and accessories for plus-sized women.

- Organizations from diverse industries have felt the pressure to simplify. The **International Air Transport Association** (IATA), an international trade body representing 240 airlines (84 percent of total air traffic), has launched a Simplifying the Business program to streamline service for customers and lower costs for the industry. UK insurance company Friends Life is developing a simple term insurance product to be sold directly, rather than through representatives.

ACTION STEPS:

- 1. Dramatically improve positives.** Adding powerful new differentiators or excitors — in other words, better serving, pleasing, and appealing to your customers — can create competitive advantages. Your competitors may be reluctant to follow or adopt them quickly as they may simply raise the cost of doing business. To improve positives, consider: why do customers in your targeted segment buy from you and not the competition? What do you offer that they not only like but are prepared to pay a premium for? What does your offering do better than anyone else's? How close is the competition to matching you on these features? Are you progressively reducing the cost of providing these features?
- 2. Infuse the offering with empathy.** Offerings that are kinder or more meaningful, while not costing less or performing better, often succeed to the surprise of data-reliant analysts. They gain popularity by enhancing the customer experience, either adding kinder attributes or removing attributes that are hostile and unfriendly. To add empathy, consider: Can you redesign the offering at any link to make the customer experience more enjoyable? Can you make the customer more satisfied, safer, more confident, less frustrated, more secure, or more amused? Are the attributes you offer a good fit for the target segment's behavior? Have you taken these customers' financial, social, and attitudinal perspectives into account when designing the offering?
- 3. Eliminate complexity.** Continuing to add features, options, and functionality over time can cause customers to be less satisfied. Rediscover exactly what customers want and will pay for and then ruthlessly eliminate everything that doesn't meet those two criteria. When the time is right for someone in your industry to do radical surgery of the offering, you act as the surgeon. To eliminate complexity, consider: Are there attributes you could eliminate, reducing your cost and potentially the price to the consumer? Are customers complaining about the complexity of your products or services? Can you readily identify features that many of your target segments don't care about?

SHARE YOUR BEST PRACTICES:

Do you have a best practice for identifying ways in which you can maximize value as perceived by your customers? If so, please share it on our blog at Wharton's Center for Leadership and Change Management.

<http://whartonleadership.wordpress.com/>

ADDITIONAL RESOURCES:

- *Marketbusters: 40 Strategic Moves that Drive Exceptional Business Growth.* Rita Gunther McGrath and Ian MacMillan (Harvard Business Press, 2005). Offers a series of actions a company can take to change the competitive game and bring markedly superior growth and profitability. Using tools, checklists, and examples, the authors present five core strategies for developing marketbusters.
- *Discovery-Driven Growth: A Breakthrough Process to Reduce Risk and Seize Opportunity.* Rita Gunther McGrath

and Ian MacMillan (Harvard Business Press, 2009). Explains how the practices and mindset that work in your core business can be lethal when your challenge is growth, and provides a tool-based system for managing strategic growth.

- “Discover Your Product’s Hidden Potential,” Rita Gunther McGrath and Ian MacMillan, *Harvard Business Review*, May 1996. Reveals an analytic tool that helps managers track and evaluate the dynamic fit between the needs of their customer segments and the attributes of their products.
- Ian MacMillan teaches in Wharton Executive Education’s [Advanced Management Program](#) and [Strategic Thinking and Management for Competitive Advantage](#).

ABOUT NANO TOOLS:

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, Director of Innovative Learning Solutions at Wharton Executive Education. It is jointly sponsored by Wharton Executive Education and Wharton’s Center for Leadership and Change Management, Wharton Professor of Management Michael Useem, Director. Nano Tools Academic Director, Professor Adam Grant.