

**DEFY ORDINARY, EXPLOIT
IMPERFECTION, AND**

CAPTIVATE YOUR CUSTOMERS

Stan Phelps & David Rendall

In her book, *Different: Escaping the Competitive Herd*, Harvard Business School marketing professor Youngme Moon argues that “the ability to compete is dependent upon the ability to differentiate from competitors.” However, she goes on to say that “the number of companies who are truly able to achieve competitive separation is depressingly small.” This is because companies tend to define their strengths and weaknesses using the same measurements and standards as their competitors. This leads to homogeneity, not differentiation. When everyone is trying to build on the same strengths and eliminate the same weaknesses, all companies start to look the same.

It’s very common for brands to homogenize. As we look at what successful companies are doing, it’s natural to emulate them. This has even been institutionalized in the process of benchmarking. We try to find out what others are doing right, and then do the same thing. It sounds reasonable, but there’s a problem.

The problem is that when everyone in an industry starts copying the leaders, then, over time, the entire industry starts to look the same, feel the same, and sound the same. There are no differences. Nothing distinguishes one brand from another. As Moon explains:

“The dynamic is not unlike a popularity contest in which everyone tries to win by being equal parts friendly, happy, active, and fun. Or an election campaign in which all the candidates try to be charming, serious, humble, and strong. Once everyone starts doing it, no one stands out.”

So how can you create one of the few organizations that become extraordinary?

How can you succeed where most organizations fail?

Maybe you could practice organizational kintsugi.

In the 15th century the Japanese Shogun Ashikaga Yoshimasa sent for his favorite tea bowl. The broken bowl was in the process of being repaired. When it came back it was fixed using ugly metal staples and other crude materials. It spurred him to ask his own craftsman to find a more aesthetically pleasing method of repair. This time, they used lacquer and gold to meticulously repair the cracks.

The shogun was extremely pleased and the result became the art of kintsugi, the practice of repairing broken pottery with lacquer mixed with powdered gold, silver, or platinum. The gold is used to call attention to the breaks, instead of concealing them.

Collectors became so enamored with the new art that some were accused of deliberately smashing valuable pottery so it could be repaired with golden seams. Mending the cracks in this way makes the object more beautiful, not despite the flaws, but because of attention placed on them.

Kintsugi is based on the idea that the broken is more beautiful than the pristine. This is the foundation of our differentiation strategy. We believe that companies can separate themselves from their competitors by illuminating imperfections, instead of eliminating them; by highlighting flaws, instead of hiding them.

A Pink Goldfish is a company that embraces this unconventional approach. We gathered 200 examples and distilled them into a simple seven-part framework, which starts with flaunting.

1. Flaunting

Flaunt means to parade without shame. Flaunting is about being unapologetic about your organization's flaws. You take pride in your organization's faults. You emphasize them, accentuate them, feature them, highlight them, expose them, call attention to them, and openly display them. You definitely aren't trying to hide them or fix them.

This might sound unwise, because this isn't the way most organizations operate. It isn't what most business books recommend. Managers have been taught to find and fix weakness, to seek perfection. So let's look at a company that flaunts their weaknesses.

Alt Hotels is a Canadian chain "offering a unique alternative to conventional hotels." They didn't just eliminate the services that most customers expect, they created a campaign that brags about all the things you won't find at their hotels. It's called "we do less."

Each of the five ads focuses on what they don't do, and what they do instead.

We don't have a mini bar.

We do have a hip lounge.

We don't have a concierge.

We do have an app with all the hot spots.

We don't have a pool.

We do have a pool table.

We don't offer room service.

We do have fresh grab and go meals.

We don't have a bellman.

We do have a versatile helpful staff.

Alt Hotels doesn't apologize for their flaws. In fact, each weakness is deliberately designed. They don't exceed expectations. They don't even meet expectations. They do less. And they're proud of it. By flaunting their faults, they attract the customers who want what they have, and repel the customers who want what they don't have.

2. Lopsiding

Most brands try to be balanced and well-rounded. It's interesting to note that synonyms for balanced include: sane, right, normal, and stable. Those sound like worthy goals. Be the perfect amount of everything. Be the best of all worlds. Make everyone happy. Eliminate flaws, minimize them, decrease them, diminish them, and lessen them. But this is the wrong approach on the road to differentiation.

Lopsiding is about being unbalanced, imperfect, unstable, and odd. Let's stop here for a second. Synonyms for unbalanced (lopsided) include: crazy, insane, and unsound. Those don't sound like promising descriptions of brand strategy, but bear with us.

Most brands try to be balanced and well-rounded. That sounds like a worthy goal. But this is the wrong approach on the road to differentiation.

Lopsiding involves amplifying, not reducing, your brand's flaws. We want you to expand them, magnify them, increase them, turn them up, exaggerate them, and then supersize them.

Lopsiding is purposefully doing MORE of what makes your brand weird or weak. This is flaunting weaknesses at its best. You aren't just proud of your weaknesses, you are expanding and extending them. You are accentuating your imperfections.

A great example of lopsiding is Hardee's.

In 2004, the documentary, *Super Size Me*, rocked the fast food world. Morgan Spurlock's 30-day McDonald's binge demonstrated definitively something that no one really knew. Fast food isn't good for you. In response, many chains started adding healthy options, like water, yogurt, fruit, and salads to their menu.

But Hardee's responded differently. They didn't create new healthy options. They developed thickburgers, giant fat and calorie-laden monsters in 1/2-pound and 2/3-pound varieties. For example, the All-American thickburger piles a sliced hot dog on top of a burger with all the fixings, including potato chips. The Philly Cheesesteak thickburger loads steak, cheese, onions and peppers onto an already gigantic burger.

Critics called Hardee's oblivious and called the burgers pre-historic. They said Hardee's was stuck in the past. They predicted that Hardee's would fail if they didn't conform to the trend toward healthier food. They were wrong.

It's been almost 15 years since *Super Size Me* debuted and Hardee's is growing and profitable. And they just unveiled the new Aporkalypse burrito and biscuit. The whole pig (ham, sausage, and bacon) along with eggs and cheese on the same sandwich. We think the name speaks for itself.

Hardee's succeeded by amplifying the weaknesses of fast food while everyone else was busy trying to moderate those same weaknesses. They took fast food, which was already tremendously unhealthy, and they made it even healthier. They took fatty foods and made them fattier. They took nasty food and made it nastier. And it worked. But there's an even more interesting ending to this story.

Remember McDonald's? After more than a decade of offering healthier foods, they are changing course. According to the Wall Street Journal, March 2017, "McDonald's has decided to shift focus back to core products. After losing about 500 million U.S. orders over the past five years over failed attempts to widen its customer base, the fast-food chain said it is going to embrace its identity as an affordable fast-food chain and stop chasing after people who will rarely eat there."

A customer survey showed that they were losing customers to other fast food restaurants, not to outlets offering healthy foods. They also saw that their own healthy options weren't selling very well. In response, McDonald's is removing some of their low-calorie low-fat menu items, like oatmeal, wraps, and salads. They tried to be balanced and it didn't work. Now they are back to being lopsided.

3. Antagonizing

Antagonizing is about polarizing, alienating, repelling, and taunting. This isn't normal behavior. When most brands encounter irate customers, they try to soothe or placate or pacify or calm or reassure. They want to win over or win back the irate customer. They want to hug them and exceed their expectations. During planning sessions, they use focus groups and customer surveys. The goal is to discover what people want and then give it to them. That's not what antagonizing is about.

We want you to deliberately exasperate, irritate, provoke, aggravate, and instigate hostility. Go out of your way to rub people the wrong way. Try to earn a few more one-star reviews on Amazon or Yelp. Tell your employees to increase the number of complaints. Make customer satisfaction less of a priority. Ring a bell in the office every time you get a nasty email. Try it. The more some people hate you, the more other people will love you.

The Alamo Drafthouse Cinema is a great example of antagonizing. Their strictly enforced policy of movie-going etiquette has made them both famous and infamous. They have clear rules that everyone has to follow. If someone breaks the rules, they are punished.

Many brands increasingly monitor the internet for negative product reviews and contact reviewers to remedy complaints, persuading some to revise reviews with higher ratings. Not the Alamo Drafthouse Cinema; they take movie-going seriously. They are obsessed with the cinema experience, and they know their approach will make some people unhappy, very unhappy.

They maintain strict rules for both talking and texting during a movie, and for late arrivals. Additionally, children under two are not allowed in the theater except for special events. Unsupervised minors are not allowed either unless they are 15 years old and have been accepted into a membership program, which includes training on the theater's many policies.

Go out of your way to rub people
the wrong way.

Alamo knows that their approach isn't popular with everyone. Tim League offered this explanation, "When we adopted our strict no talking policy back in 1997, we knew we were going to alienate some of our patrons. That was the plan. If you can't change your behavior and be quiet (or unilluminated) during a movie, then we don't want you at our venue."

Violators of the rules are given a warning and are then subject to removal. And they will remove you. One moviegoer found this out the hard way in 2011. And she did not take it well. It was so epic that Alamo turned it into a PSA that they show before the movie starts. Here's the transcript:

Alamo Drafthouse: *At the Alamo Drafthouse, we have a simple rule: If you talk or text during a movie, we kick you out. Sometimes, that pisses the movie talker off. What follows is an actual voicemail a customer left us after being kicked out.*

Customer: Yeah, I was wondering if you guys actually enjoy treating your customers like pieces of sh*t? Because that's how I felt when I went to the Alamo Drafthouse. Okay?

You know what? I didn't know that I wasn't supposed to text in your little crappy ass theater. It was too f*cking dark in that place to even find my seat. All right? I was using my phone as a flashlight to get to my f*ckin' seat.

So excuse me for using my phone in USA Magnited State of America, where you are free to text in a theater. I was not aware that I couldn't text in your theater. All right?

I've texted in all the other theaters in Austin. And no one ever gave a f*ck about what me, I was doing with my f*ckin' phone. All right?

And it was on silent. It wasn't on loud. It wasn't bothering anybody. You guys obviously were being assh*les to me. And I'm sure that's what you do. You know, to rip people off. You take my money and you throw me out. You know?

I will never be comin' back to your Alamo Drafthouse or whatever. I'd rather go to a regularier theater where people are actually polite. You know?

I'm gonna tell everyone about how sh*tty you are. And I'm pretty sure you guys are being assh*les on purpose. So thanks for making me feel like a customer. Thanks for takin' my money, assh*le!

***Alamo Drafthouse:** You're welcome! Thanks for not coming back to the Alamo, texter!*

League is unapologetic. "We wanted to take a hard stand and say that those people are not welcome at the Alamo Drafthouse. So they will get rid of those people and just make it a better place for the rest of the movie-going public."

By the way, the "Don't Talk PSA | Angry Voicemail" also went viral outside of the theater. The video has garnered millions of views on YouTube and was featured by Anderson Cooper on CNN.

Alamo prides itself as a cinema built by movie fans for movie fans. They purposely embraced this complaint to emphasize how serious they are about movies. If you don't like it, you can leave. If they don't like you, they'll make you leave. If you complain, they'll put you on the big screen.

Does antagonizing work? Yes. *Entertainment Weekly* recently named the Alamo Drafthouse the #1 Theater in America and *Wired* labeled them as The Coolest Movie Theater in the World.

4. Withholding

Most brands are trying to be strong, and they want to get stronger. They want to be powerful. This seems to make sense. Be the best. Do more. Expand. Grow. Benchmark your competition and then offer more features, more products, more services, and more locations. But maybe there's a better way.

Withholding is about limitations, restrictions, boundaries, and constraints. That sounds obviously negative. Don't great brands offer freedom? Don't customers want services to be unlimited? Shouldn't the best organizations be everywhere all the time? Even if we don't serve everyone, we certainly want more customers, don't we?

Withholding involves offering fewer options, fewer locations, fewer features, fewer products, fewer services, fewer hours, fewer perks, and fewer discounts. This is about deliberately and relentlessly shrinking the things that everyone else is expanding. It is purposefully doing LESS of what is considered normal by others. By reducing options or completely eliminating them, brands can stand out and differentiate themselves.

For the last three years, REI has closed its stores and its website on Black Friday. They call it #OptOutside. It was a purposeful move to separate itself from other retailers. Instead of hitting the mall, the company wants customers to hit the trail. They are encouraging their employees and customers to go for a hike. "We really want this to be a day when people are outdoors, spending time with their families," says Jerry Stritzke, REI's CEO.

When REI announced it would remain closed on Black Friday in 2015, it was regarded as a radical move in an industry that relies heavily on holiday shopping. And messing with Black Friday, which is historically the most lucrative day of the year for many retailers, seemed risky. But withholding paid dividends. In 2017, REI even expanded the #OptOutside campaign by

creating an online search engine for people to find nearby opportunities for activities such as hiking, rowing, and rock climbing.

How has this deviation from traditional retailers affected REI's business? Sales, profits, and revenues keep increasing every year. Being closed on the biggest shopping day hasn't hurt them. Instead, it has helped them to stand out in a crowded retail space and maybe just make the world a better place.

Withholding ... is about deliberately and relentlessly shrinking the things that everyone else is expanding. By reducing options or completely eliminating them, brands can stand out and differentiate themselves.

5. Swerving

As an example of withholding, we aren't going to explain swerving in this manifesto.

To demonstrate flaunting, we are unapologetic about this omission.

To practice antagonizing, we hope this makes you upset.

6. Opposing

Opposing is doing the exact opposite of what others are doing. It's about being unlike the competition. It's doing things that conflict with traditional methods of doing business.

Opposing brands are unlike other brands. They are contradictory. They operate in a way that is incompatible with everyone else. Opposing involves defying, resisting, and fighting. It's refusing to give in, to yield, to submit, to surrender to the pressure to conform, to fit in, to follow the crowd. Opposing isn't a slight deviation from the norm. It's maximum separation. It's a complete break with convention.

In 1977, James Earl Ray, convicted of assassinating Martin Luther King Jr., escaped from prison in the mountains of Tennessee. After 55 hours, he was found just eight miles away. Lazarus Cantrell thought he could have gone at least 100 miles in the time it took Ray to go just eight. He couldn't, but this gave him an idea for a race, The Barkley Marathons, in the same rugged environment.

It turns out that professional athletes can't run 100 miles over the brutal terrain either. Only 15 of 800 runners have completed the race since the race was started in 1986. In 2006, 30 of the 40 participants were unable to even complete the first two miles! In 2018, there were no finishers.

Let's look at how the Barkley Marathons are the opposite of normal races.

- Normal marathons have a clear online registration process. The Barkley Marathons have no clear registration process. If you want to race, you need to mail a letter to the race organizer and hope he responds.
- Normal marathons use timing chips to track runners on the course and as they finish. The Barkley Marathons have no electronic timing. Runners collect pages from paperback books from various milestones along the way to prove they've completed the course. For example, if you are runner #22, you rip out page #22 from the book at each checkpoint and bring it back with you in a plastic bag to the finish line.
- Normal marathons provide course markers and maps as well as volunteers to clearly guide runners. The Barkley Marathons do not have a marked course. There is only one map. The course changes each year. You can't take the official map with you, but you can make one for yourself. Each time you finish a lap—there are five 20-mile laps—you have to do the next lap in the opposite direction, just to make navigation that much more difficult.
- Normal marathons offer aid stations with drinks, snacks, water, ice, and medical care. The Barkley Marathons have no aid stations or volunteers or any assistance of any kind. Runners are on their own. They have to provide all supplies and carry everything with them.

- Normal marathons charge a fee of around \$100 to cover expenses or to donate to charity. The Barkley Marathons charge an application fee of \$1.60. Participants also have to bring Lazarus, the race organizer, a license plate from their state/country and an additional “fee” that changes from year to year. One year it was a pack of tube socks. Another year it was a button-down shirt in the race organizer’s size.
- Normal marathons provide a clear start time for the race. The Barkley Marathons have no set start time. A race starts an hour after the race organizer blows the conch shell. It officially starts when he lights his cigarette.

The Barkley Marathons is so unusual and so interesting that it was the subject of a very popular Netflix documentary. It is also one of the most desirable races for endurance runners throughout the world.

7. Micro-Weirding

As we collected example for *Pink Goldfish*, we had some that didn’t fit into any specific category, but were too good to leave out. So, we created another category, micro-weirding.

When was the last time you had a popsicle? It probably wasn’t recently.

When was the last time you had a popsicle at a hotel? You probably haven’t.

When was the last time you had a popsicle delivered to you at a hotel? Probably never.

Have you ever complained because popsicles weren’t on the room service menu? Probably not.



The Magic Castle Hotel is the highest-rated hotel in the Los Angeles area according to TripAdvisor.
“Out of over 3,000 reviews on TripAdvisor, 94% of guests rate the hotel as either ‘excellent’ or ‘very good.’”

But why are the ratings so high? Wouldn't people rather stay at a consistently luxurious property like the Four Seasons? The Magic Castle Hotel doesn't have an amazing pool or beautiful furniture or lovely rooms. It doesn't have most of the things that you'd expect from a great hotel. What it does have is a Popsicle Hotline.

Here's how it works. There's a red phone on a wall by the pool. When you lift the handset, a popsicle specialist answers and takes your order. You don't have to wait long until an employee, wearing white gloves, brings your popsicles, on a silver tray, at no charge.

The Magic Castle Hotel doesn't have an amazing pool or beautiful furniture or lovely rooms. ... What it does have is a Popsicle Hotline.

In their book, *The Power of Moments*, the Heath brothers categorize the popsicle hotline as a peak moment. They argue that people value and remember small unusual moments more than larger, seemingly more important, services. “What the Magic Castle has figured out is that, to delight customers, you need not obsess over every detail. Customers will forgive small swimming pools and underwhelming room décor, as long as you deliver some magical peak moments. The surprise about great service experiences is that they are mostly forgettable.”

If you’ve been paying attention, you noticed that the seven-step framework is an acronym.

- F** Flaunting
- L** Lopsiding
- A** Antagonizing
- W** Withholding
- S** Swerving
- O** Opposing
- M** Micro-Weirding

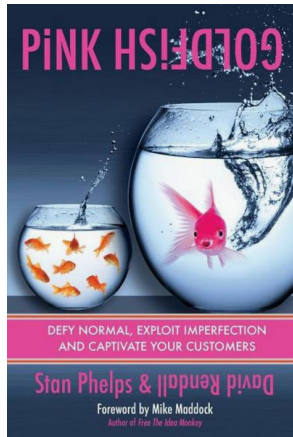
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During the last fifteen years, David Rendall has spoken to audiences on every inhabited continent. His clients include the U.S. Air Force, Australian Government, and Fortune 50 companies such as Microsoft, AT&T, United Health Group, Fannie Mae, and State Farm. Prior to becoming a speaker, he was a leadership professor and stand-up comedian. He also managed nonprofit enterprises that provided employment for people with disabilities.



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