

Overview

1. When to use the door

You should be bold enough to use the door when you have a solution that is way better than all solutions being offered by your potential competitors. It is however important to ensure your solution doesn't force your customers to change their behaviour significantly. You should also consider using the door when you have enough resources to challenge the current status quo for a prolonged period of time. Having a better solution is never enough. You must have the resources to market your solution to fruition and fight market tides.

The resources should also be enough to market and reach majority of your target customers in the shortest time possible. When you consider using the door to enter an existing market, the amount of resources you have determine your probability of success. Your success is also dictated by how first your potential customers respond. Considering the fact that there are still very many things that can go wrong even if you are a "big dog", you should avoid using the door if you don't have to.

Example of success: Apple iPhone.

Apple's iPhone was such a hit paving the way for other Apple tech gadgets because the company entered the market boldly focused on setting a gold standard. Apple has a famous philosophy of making tech gadgets only when it can do it better than the competition. Apple is therefore one of the few perfect examples of companies which have successfully mastered the art of using the door to enter existing markets.

Example of failures: Go budget airline vs. Easy Jet

Go budget didn't succeed using the door strategy to compete with Easy Jet because the airline failed to offer a substantial increase in value which is a must when entering an existing market through the door.

2: When to climb in through the window

This strategy is always better when you don't want to create friction. The window is also ideal when you don't have a lot of resources or you don't want to use a lot of resources when entering an existing market. The window is also appropriate when you want to have the highest chance of success. This strategy is perfect when you have a solution or product/service that complements existing industry players or adds value to them instead of challenging them as is the case with the door strategy. If you want to play it safe (which should be the case most of the time), the window is always perfect. You don't have to worry about the problems that arise when you challenge the status quo in business.

Example of Success: GoPro

The company entered the market complementing instead of challenging existing players with homemade harnesses. Today (10 years later), the company is a force to reckon with globally. No one saw it coming.

3. When to build a house (Create a market)

Building a house makes more sense when you want to create a market for your goods/services i.e. when there is no established market for what you want to offer. You must however be cautious ensuring you have the necessary technology and infrastructure needed to create a market that can sustain your business. It is also important to prepare yourself for serious challenges since you will be venturing into an unknown territory characterised by many uncertainties.

Examples of successful market redesign: TaskRabbit & Hourly Nerd.

TaskRabbit & Hourly Nerd are perfect examples of companies which have successfully created a market for their services by tapping on the technological advancements we enjoy today. Hourly Nerd was among the first consulting platforms online. TaskRabbit was also among the first online and mobile outsourcing marketplaces.