

parfaits, and blended juices. Each store has its own kitchen, and non-fresh items are made by high-quality producers. Even in its New York stores, Pret's baguettes are from France and its croissants are from Belgium. And nothing is kept over to the next day. Leftover food is given to homeless shelters.

In addition to offering fresh healthy sandwiches and other fresh food items, Pret speeds up the customer ordering experience from fast food's queue-order-pay-wait-receive-sit down purchasing cycle to a much faster browse-pick up-pay-leave cycle. On average, customers spend just ninety seconds from the time they get in line to the time they leave the shop. This is made possible because Pret produces ready-made sandwiches and other things at high volume with a high standardization of assembly, does not make to order, and does not serve its customers. They serve themselves as in a supermarket.

Whereas sit-down restaurants have seen stagnant demand, Pret has been converting the mass of soon-to-be noncustomers into core thriving customers who eat at Pret more often than they used to eat at restaurants. Beyond this, as with Callaway, restaurant-goers who were content to eat lunch at restaurants also have been flocking to Pret. Although restaurant lunches had been acceptable, the three key commonalities of first-tier noncustomers struck a chord with these people; but unlike soon-to-be noncustomers, they had not thought to question their lunch habits. The lesson: noncustomers tend to offer far more insight into how to unlock and grow a blue ocean than do relatively content existing customers.

Today, nearly thirty years on, Pret A Manger continues to enjoy robust growth and sail in the blue ocean it created. It is recognized to have revolutionized the British sandwich industry. Pret currently has some 335 stores with annual turnover at roughly £450 million (\$760 million) per year, with stores in the United Kingdom, the United States, Hong Kong, and France.¹

What are the key reasons first-tier noncustomers want to jump ship and leave your industry? Look for the commonalities across their responses. Focus on these, and not on the differences between

them. You will glean insight into how to desegment buyers and unleash an ocean of latent untapped demand.

Second-Tier Noncustomers

These are *refusing* noncustomers, people who either do not use or cannot afford to use the current market offerings because they find the offerings unacceptable or beyond their means. Their needs are either dealt with by other means or ignored. Harboring within refusing noncustomers, however, is an ocean of untapped demand waiting to be released.

Consider how JCDecaux, a vendor of French outdoor advertising space, pulled the mass of refusing noncustomers into its market. Before JCDecaux created a new concept in outdoor advertising called "street furniture" in 1964, the outdoor advertising industry included billboards and transport advertisement. Billboards typically were located on city outskirts and along roads where traffic quickly passed by; transport advertisement comprised panels on buses and taxies, which again people caught sight of only as they whizzed by.

Outdoor advertising was not a popular campaign medium for many companies because it was viewed only in a transitory way. Outdoor ads were exposed to people for a very short time while they were in transit, and the rate of repeat visits was low. Especially for lesser-known companies, such advertising media were ineffective because they could not carry the comprehensive messages needed to introduce new names and products. Hence, many such companies refused to use such low-value-added outdoor advertising because it was either unacceptable or a luxury they could not afford.

Having thought through the key commonalities that cut across refusing noncustomers of the industry, JCDecaux realized that the lack of stationary downtown locations was the key reason the industry remained unpopular and small. In searching for a solution, JCDecaux found that municipalities could offer stationary