

# SUMMARY

## ROCKET

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# **Summary of “Rocket” by Michael J. Silverstein, Dylan Bolden, Rune Jacobsen, and Rohan Sajdeh**

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Learn how “mere mortals can create immortality”  
and build a brand that lasts.

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# Introduction

Human beings love to shop. Up to 25 million Americans go to their local mall on any given Saturday or Sunday to either shop for the items on their list, or to simply wander and browse. This is where great retail brands can shine above the rest. You see, customers want a brand that lasts forever and eases their anxiety when choosing a product. They want something low-risk that will deliver happiness and smiles. Even more, “consumers love to love brands.” When a consumer falls in love with a brand, nothing is stopping them from sharing every detail and wanting to know more, “Where is the product made? What are the ingredients? How is it tested? Will it stand the test of time?” Not only do they want to know more, but they also want a transparent relationship. They want to know even more about your brand, like “How do you treat and pay your employees? Do you have a clean environmental footprint?”

Consumers hold tremendous power. When they love you, they will be loyal and continue to purchase your products. Even better, they will influence their friends or strangers into purchasing from you. But if you fail, consumers will scold and condemn you. Even worse, they will tell everyone how they feel about your company, spreading their thoughts on social media at the click of a button. Luckily, *Rocket* will provide you with a recipe for success and a preemptive guide for avoiding a toxic relationship with consumers. As you read, learn how to cultivate your most loyal customers -- your Apostles to become a beloved, iconic brand.

# Don't Ask Your Customers What They Want

As a customer, what makes you loyal to a specific brand? Do you even know? Customers know what they love and they know what they hate, but they don't necessarily have a reason. In other words, a customer's loyalty is fickle and ever-changing. So what's the secret to creating more than just a customer? How can you create an *apostle*? To answer this question, we can take a look at Leslie Wexner, CEO, chairman, and founder of L Brands, a \$28 billion company with two primary brands: Victoria's Secret and Bath & Body Works.

When Wexner bought Victoria's Secret, it was a two-store chain. Today, they have nearly 3,000 stores with sales that top \$7 billion and is a dominant provider of lingerie for American women. One of the biggest reasons for his success, according to Wexner, is his natural curiosity. For instance, a curious mind doesn't ask customers, "What do you want?" Instead, he understands a customer's behavior and, more importantly, her spending patterns. He aims to open up the consumer to talk about her hopes, wishes, and dreams. He understands that breakthrough profits come from more than making sales, but from satisfying the emotional needs of the consumer. That curiosity led Wexner to reinvent the women's underwear market.

Reinventing the wheel is not necessary, simply reinventing and identifying a customer's needs is all it takes. In the 1980s, Wexner noticed a huge gap in luxury and budget brands for women's undergarments. He realized that women wanted to be sexy, but they didn't want to spend too much money, so Victoria's Secret was born. Wexner aimed to market sexy and glamorous women's underwear that wasn't too expensive but also not too cheap. He created a middle ground in the market and the results proved to be lucrative and successful.

However, Wexner didn't stop at lingerie. Wexner understood that successful businesses must continue to innovate to stay in the game.

Therefore, the success of Victoria's Secret allowed him to expand into more categories, including sleepwear, swimwear, and fitness clothing. He even created the PINK line for younger generations of customers. One of his most successful ventures, however, was the introduction of his fragrance line, which includes a variety of perfumes and lotions. So, according to Wexner, the key to success is the ability to reinvent. Discover how you can transition from one category to another, continue to refresh your brand, and respond to customer dissatisfaction.

For instance, once Victoria's Secret's annual revenue stabilized at \$2 billion, Wexner knew he needed to do more. He needed to continue to grow and change. He hired authors who could go out into the field and interview 100 young women about their relationships with the brand. From these interviews, Wexner learned that many women were wearing the brand's products only on the weekend, sacrificing their comfort for a short time to feel sexy. This led to Wexner developing products that were both sexy *and* comfortable. This change grew the company's annual revenue to over \$8 billion.

# Woo Your Biggest Fans

Do you have a brand that you are absolutely loyal to? If you do, how many times do you convince your “followers” -- family, friends, and colleagues to purchase from that brand? Your recommendations to your followers can deliver a single brand thousands of dollars a year, which can turn to \$1 billion after 12 generations. The best part? This cycle of 12 generations can happen within three years. This is called the law of propagation which states that “innovation times trial times uniqueness and power equals uptake.”

These loyal customers are called your apostle consumers and they are *totally* worth it. These are your most dedicated consumers who will consistently return to your products, and more importantly, they’ll spread the word too. Their worth can be seen through what the authors consider the 2-20-80-150 rule. These 2 percent of customers we consider apostles are personally responsible for 20 percent of a company’s sales. Their power doesn’t stop there though. When they advocate to friends and acquaintances, then they become responsible for a total of 80 percent of sales. This powerful combination of their purchases and recommendations can deliver up to 150 percent of a company’s profits.

As you can see, the value of an apostle consumer is too significant to ignore. This is why it’s important to focus on that two-percent of consumers and why it is essential to reward them each time they engage with your brand. Whole Foods, for example, sought to become more than just a high-end grocery store. By handing out complimentary samples of products like wine and shrimp, the brand entices people to come in, even for just a taste of an expensive product. Additionally, Whole Foods has created a space for customers to meet one another and take free classes about health and cooking.

In an interview with one of Whole Food’s apostle consumers, the consumer revealed that he keeps coming back because of how much he learns about



health and nutrition. Each trip to the store provides a new experience in which he expands his knowledge about food. He even goes on to say that the company has helped him improve his quality of life. When it comes to apostle consumers, their loyalty to a brand is significant and has the power to generate thousands of dollars in sales. So why not try to woo those consumers? Give them a reason to return and brag about your company to their friends.

# Welcome Your Customer's Scorn

Inevitably, companies will go through some hard times. And when many find themselves on the brink of failure, company leaders begin to look ahead and figure out how they can innovate to succeed. They begin to stress and focus on demographics, “They think the critical factor is that the consumer is a 30-something woman or a first-generation American;” however, these companies aren’t focusing on the right thing. Instead, they should consider the emotional and functional needs of the consumer. “What do the consumers really want, and when and why do they want it?”

The focus shouldn’t simply be on demographics, instead, they should focus on demand spaces. What is your demand space? It’s simply a category that helps you determine why and when a consumer will engage with your product. “If you look at demand spaces, you will find that consumers are absolutely consistent and predictable. And you can use that insight to identify new connections among your products and services and new opportunities to sell them.”

Major food manufacturer Frito-Lay once found their revenue staying stagnant, they needed to innovate and determine how to increase sales. So, of course, they looked to their demand spaces. They looked at why consumers were purchasing their products and when they consumed the majority of their snacks. At what time were Lays potato chips consumed? On what occasions? After their research, the company discovered its demand spaces fell into ten unique categories, including “Fun Times Together,” “Young and Hungry,” and “Family Fun.” They also discovered that people in the “Fun Times Together” space also reached for foods like Hot Pockets, McDonald’s, pizza, cookies, and Snickers bars. This meant that Frito-Lay wasn’t simply competing with other salty snacks, they were competing with a wide range of snack foods. So what was the answer?

Frito-Lay decided to release products that fit into each demand space, they would bundle some of them together and even create new products to fit in each demand. For instance, in the “Fun Times Together” demand space, the company released a chip and dip combination marketed to enjoy with a group of friends. This simple solution created over \$100 million in sales in the product’s first year. Additionally, Frito-Lay partnered with Taco Bell to launch the Doritos taco for the “Young and Hungry” space. This product became a best-seller and created new growth for the company.

To identify the demand space, companies must look at the choices consumers are making and identify the emotional and functional drivers behind the choice. They must identify the real triggers for their choice and market to that demand. You see, when you simply look at demographics, you just become confused and fail to recognize the emotions behind a purchase. However, once you identify the demand spaces, “you can use that information to make sense of your business and unlock growth you didn’t previously know was there.”

# Looks Do Count

As much as we try to believe that looks don't matter, it's simply a fact that customers buy with their eyes. This can be seen in the grocery store when walking around the produce aisle, you're more likely to buy the perfectly rounded tomato without any spots, right? Well, the same goes for just about every other product in the world. If you're seeking to build a rocket company, then you must understand that you must appeal to every sense, especially looks.

A successful entrepreneur and Italian fashion designer, Brunello Cucinelli, understood the importance of appealing to these senses which has helped him build a \$1 billion international business. Beginning with looks, Cucinelli focuses on aesthetics and seeks to create a stark showroom that displays the quality and craftsmanship of his clothing. Additionally, he chooses to use high-quality, distinctive fabrics that are instantly recognizable. Secondly, Cucinelli appeals to the touch by creating some of the softest sweaters people have ever felt. For instance, one apostle consumer convinced ten of her friends to buy from Cucinelli after simply touching one of her cashmere sweaters.

Lastly, Cucinelli's brand appeals to a consumer's emotions. Brunello began his company in a small Italian village which he continues to support through his business. Additionally, he has a reputation for treating his employees like family, creating a positive environment where employees feel valued and respected. When consumers hear the brand's story, they feel compelled to support a simply good business. By appealing to each of the senses, Cucinelli has successfully built a long-lasting brand that consumers trust and will continue to buy from.

Of course, focusing on aesthetics isn't always cheap! When it comes to Disney, the company understands how customers shop with their eyes. As consumers dream about a better world, Disney catered to this dream through the creation of Disney World where little girls and boys can visit

and see their favorite characters like Cinderella, Snow White, and Mickey Mouse. Disney even fulfills fantasies by allowing long-time Disney fans to marry their own Prince Charming within the walls of the Magic Kingdom. Additionally, each couple can pay up to \$250 to have their names immortalized on the bricks of the Magic Kingdom, allowing its consumers to create a valuable, priceless experience.

Additionally, Disney's attention to detail means spending billions of dollars to create a world where everyone can escape reality. While new rides can cost upwards of \$200 million, Disney also employs talented artists and architects which means new projects can cost up to \$1 billion. However, this money can be made back in just one year as people travel from all over the world to experience the dream that Disney World offers.

# Transforming Employees into Passionate Disciples

While aesthetics and apostle customers are important, employees are perhaps one of the most significant aspects of your business. Considering employees are the first people your customers interact with, you need to ensure you have the best of the best on your team. Instead of simply having employees, you must create passionate disciples who love the company and, more importantly, its customers. So how can you do this?

Let's take a look at the online shoe store Zappos. With a unique hiring process, the company ensures their recruits fit in socially, intellectually, and emotionally. According to the authors, "They have to be ready for their new family. Cultural fit is the key hurdle." To do this, every employee that comes in contact with a potential new hire has a say in the hiring process. For instance, if an out-of-town applicant comes into Las Vegas for an interview, Zappos offers a free ride from the airport. However, this is also a part of the application process.

During the rides, the driver must pay attention to how the applicants carry themselves and treat others; they don't make excuses for unpleasant travel either. Throughout the day, the applicant is put through several interviews, but at the end of it all, the recruiter checks in with the driver to get input. If the driver wasn't treated well, then the applicant isn't hired no matter how well the interviews went. Zappos CEO, Tony Hsieh, believes in creating a company culture in which everyone plays an integral role and is treated with respect. If you don't fit in with that culture, then you simply won't be hired...or you can choose to leave with a pretty nice severance package.

Of course, keeping great employees is just as important as hiring them. That's where the Four Seasons excels. In addition to paying each employee a salary above the industry average, they also offer them and their families free stays at hotels worldwide. Of course, this means that employees are happy and they are willing to go above and beyond for their guests. For

instance, after an earthquake at the Maldives Four Seasons, all 400 employees at the hotel assisted the guests in reaching safety, even offering them what little food and water remained. Even more impressive, not a single employee left their post and continued to act kindly and professionally to ensure their guests felt safe and secure. Treating your employees well can lead to remarkable things!

# Ramp Up Your Virtual Relationships

Today's world moves quickly and consumers with the greatest disposable income have the least amount of time. So how do these people shop? Online! However, online shopping no longer involves just logging on and ordering something. Instead, customers expect a shopping experience where they feel like they are important and cared about. Similar to making an online connection with a person, customers want to make an online connection with the companies they purchase from.

Let's take a look at Amazon, for example. Amazon is an emotionally cold company. You simply search for a product and get a random list. However, they've taken their online presence a step further by analyzing their customers and using that information to build relationships with them. For instance, as you search Amazon's website, you'll find that the company will begin to predict your next purchase. Additionally, each time you return to the website, you'll find new recommendations based on your interests. The company calls this collaborative filtering in which a computer algorithm chooses products it thinks you'll like. Amazon also offers perks with its Prime membership program that costs \$99 a year. With perks like free two-day shipping and access to streaming services, Amazon understands the power of digital services and virtual relationships.

Additionally, companies like Airbnb rely on virtual relationships as well. Instead of using computer algorithms to create a relationship, Airbnb relies on people sharing their real-life experiences to establish trust among strangers. As people rent out their spaces for short weekends or extended stays, Airbnb can only be successful if both hosts and tenants are held responsible. With the use of reviews and identity verification protocols, tenants can trust that the place they are renting is clean, safe, and has whatever they need. On the other hand, hosts can trust that the people they are renting to will respect the place and keep it clean. Airbnb has successfully created a multi-billion-dollar company that wouldn't be possible without the strength of trusting virtual relationships.



# Final Summary

If you're looking to build a successful brand like Apple, Amazon, or Target, then following these strategies can help you launch your rocket company. Apostle companies have been using the strategies provided for years; they determined what customers wanted before customers even knew they wanted it while wooing their top two-percent of customers. Additionally, they figured out what customers wanted and why they wanted it and they marketed to their demand space. At the end of the day, when you focus on your apostle customers and create passionate employees, you can then look towards your aesthetics and online presence to create a rocket brand that any customer would find irresistible.



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