CATEGORY NORMS

Structure, Boundaries, and Stratlegic Deviation.

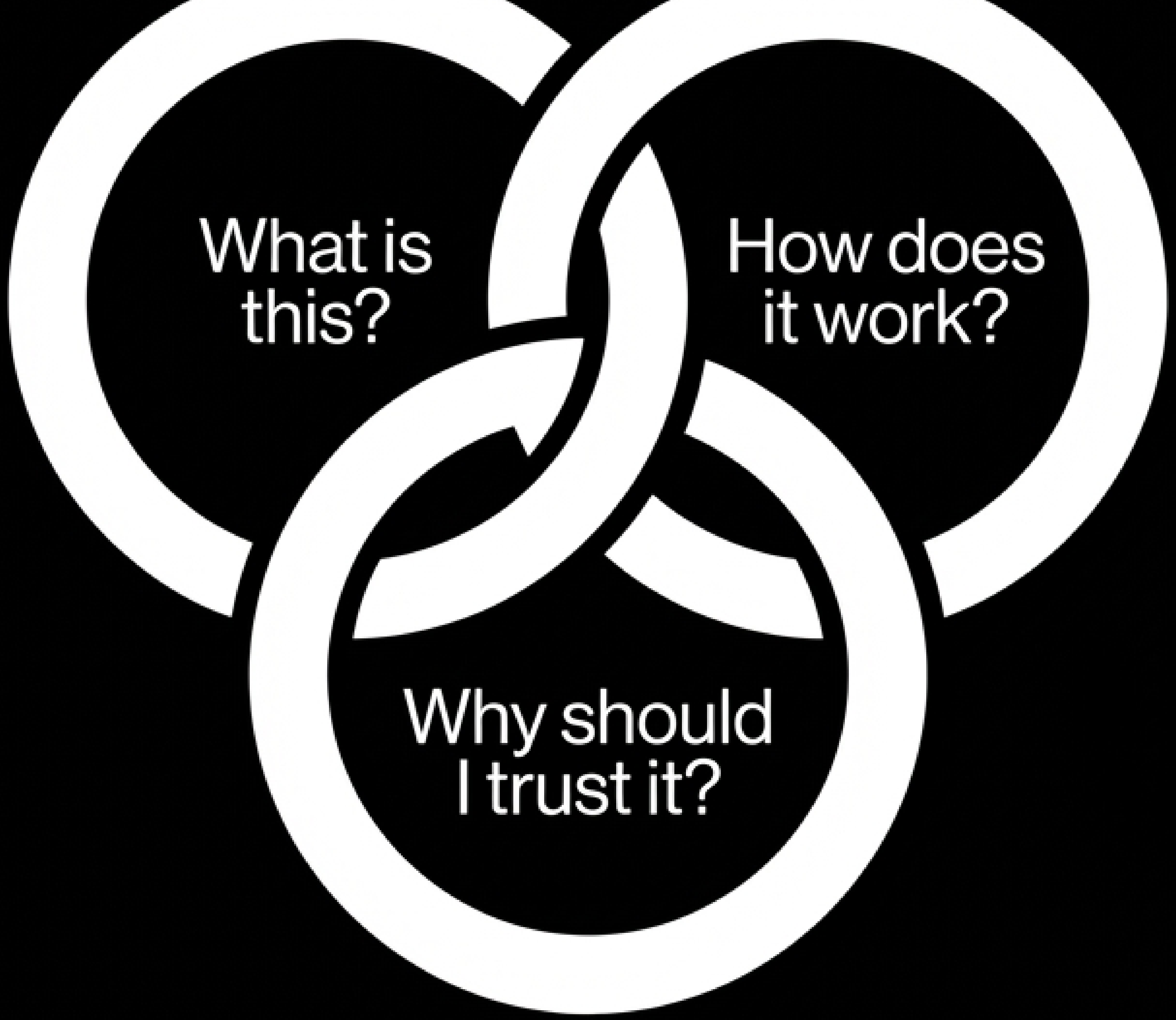
By Neo Matsau & Team

EVERY MARKET RUNS ON AN INVISIBLE RULEBOOK.

Customers rarely articulate it. Companies rarely write it down. Yet everyone behaves as if it exists.

Most companies treat these norms as fixed. The better ones treat them as choices.

A CATEGORY IS NOT A SET OF COMPETITORS. IT IS A SHARED UNDERSTANDING.



It is the answer in a customer's mind to three simple questions:

Clear answers = Familiarity.

Unclear answers = Risk.

EXPECTATIONS > PRODUCTS

Two products with identical functionality will perform very differently based on cogit. One fits neatly into an existing category. The other forces the customer to think. A category defines what counts, what good looks like, and what feels normal versus strange.

THE ARCHITECTURE OF RULES.

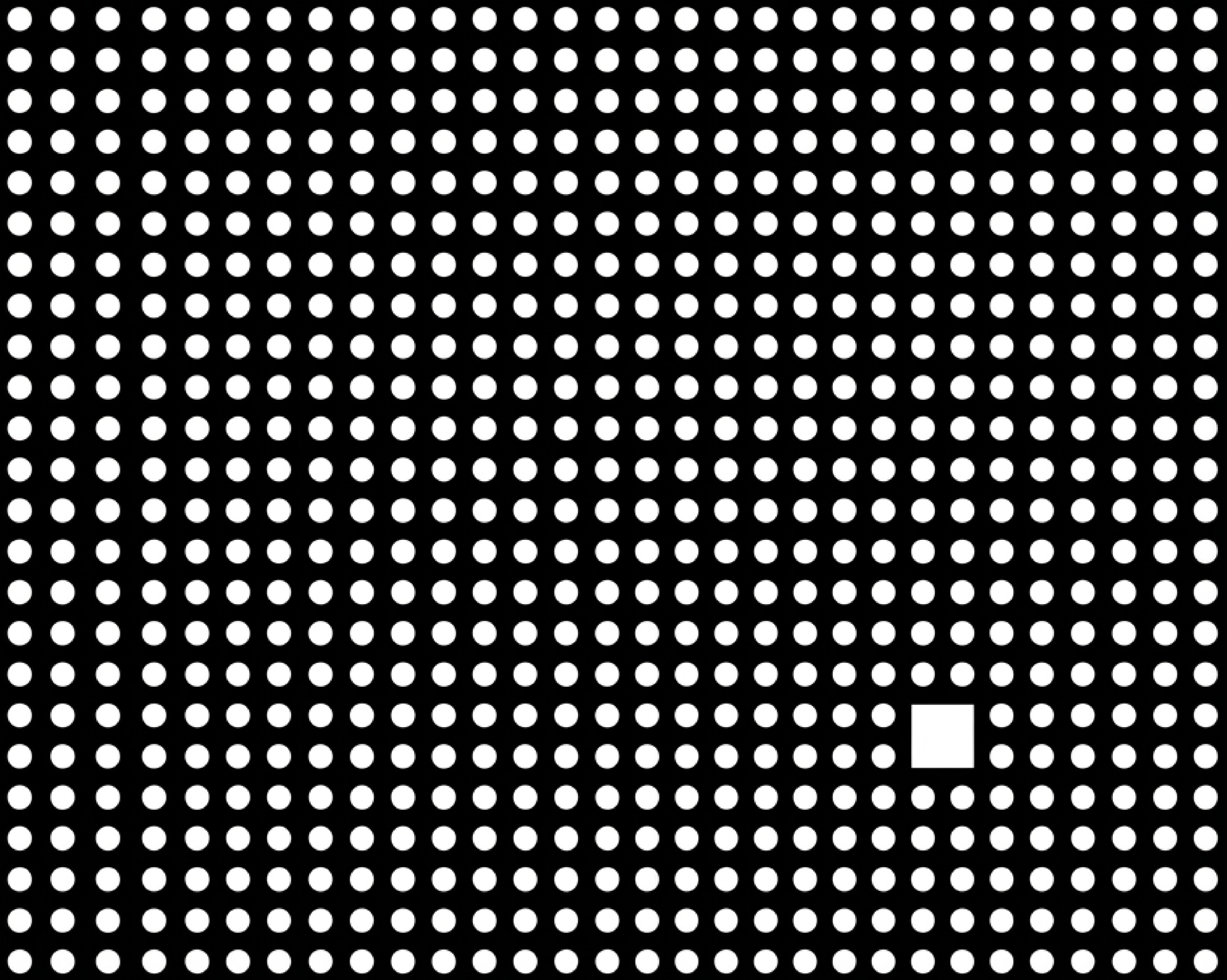
Not all norms carry the same weight. It is a layered system, moving from flexible to rigid:

LAYER 1: FOLKWAYS. THE HABITS OF A CATEGORY.

The layout of a website. The tone of a page. The checkout flow. They are everywhere, but rarely noticed.

Break a folkway, and people may pause. They will not panic.

This is where most innovation happens. It is also where it stays.



LAYER 2: MORES. THE ARCHITECTURE OF LEGITIMACY.

Mores govern what feels fair, safe, and acceptable. (e.g., transparent pricing in finance, confidentiality in healthcare).

Break a more, and the reaction is not confusion. It is suspicion.

LAYER 3: TABOOS. THE EMOTIONAL RED LINES.

These are not just rules; they are boundaries people do not expect to be crossed.
(e.g., misuse of data, deception in pricing).

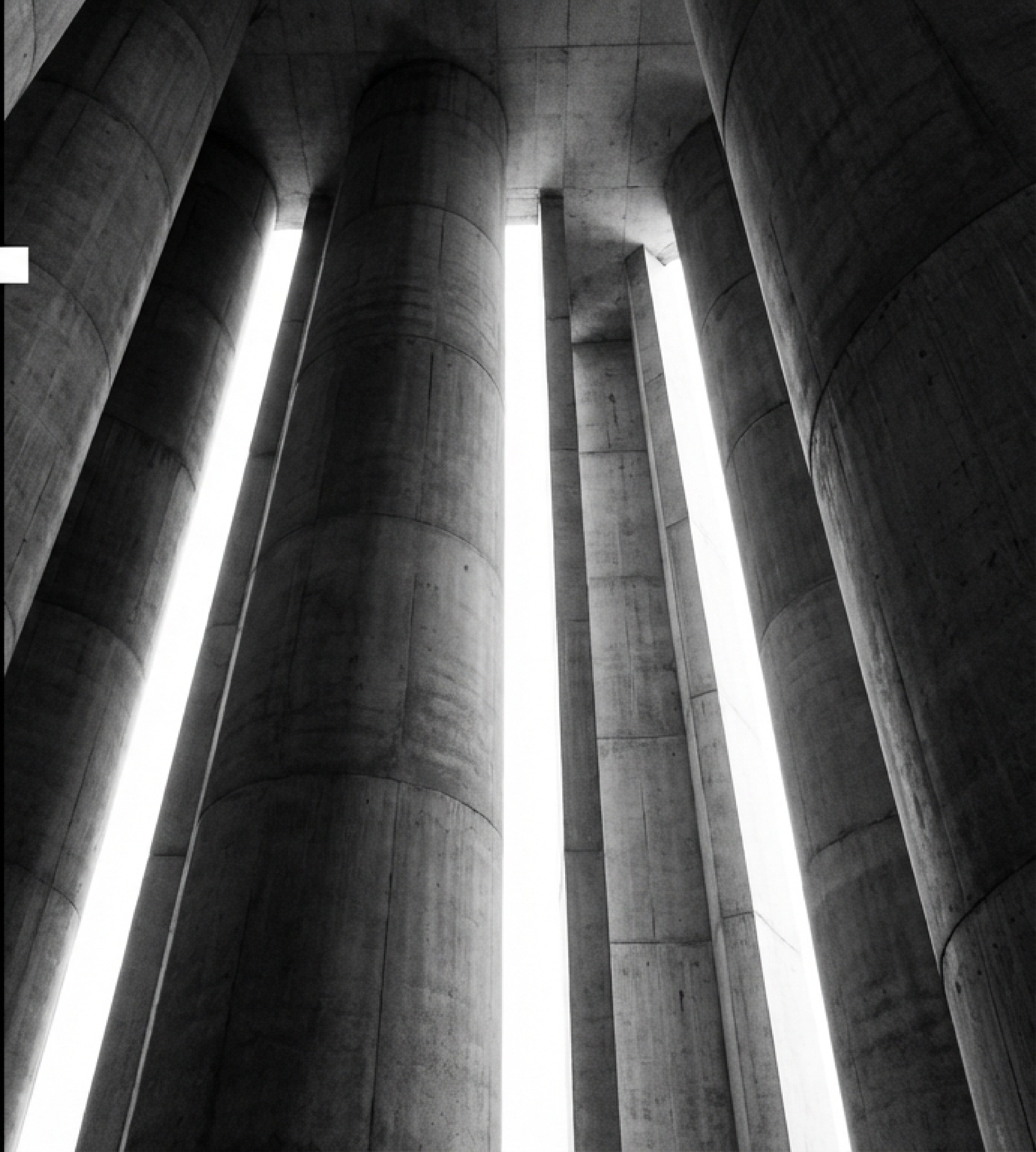
When broken, the response is immediate and unforgiving.

Companies that cross taboos are not seen as different. They are seen as dangerous.

LAYER 4: LAWS. THE FORMAL BEDROCK.

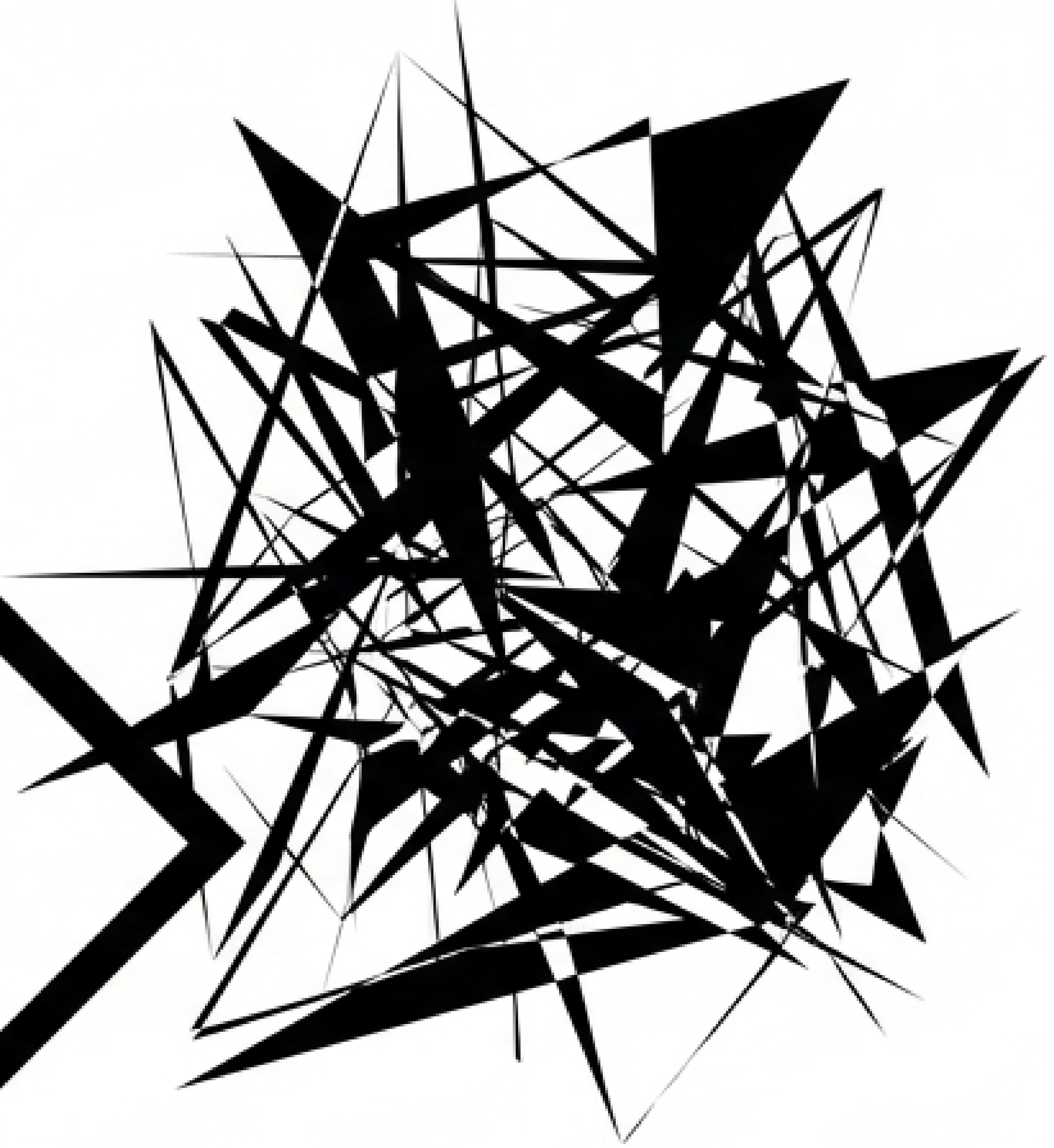
Written down and enforced.
Legally non-negotiable.

Yet, some of the most significant category shifts come from operating in the gaps of regulation, exposing where the law no longer reflects reality.



LAYER	NATURE OF RULE	REACTION IF BROKEN	STRATEGIC REQUIREMENT
Folkways	Habits & Surface Patterns	Pause / Intrigue	Aesthetic or UX distinction
Mores	Legitimacy & Fairness	Suspicion	Trust Substitution
Taboos	Emotional Boundaries	Unforgiving Rejection	Overwhelming Value & Narrative
Laws	Formal & Enforced	Legal Penalty	Finding Gaps in Definitions

THE PRECISE FRACTURE.



PLAY IT SAFE = INDISTINGUISHABLE.

BREAK TOO MUCH = LOSE TRUST.

DIFFERENT LAYERS TOLERATE DIFFERRENT LEVELS OF CHANGE. IF YOU TREAT ALL NORMS AS EQUAL, YOU WILL MOVE EITHER TOO CAUTIOUSLY OR TOO RECKLESSLY.

BREAKING FOLKWAYS: THE CEILING OF DISTINCTION.

If everything in your category looks the same, changing the surface layer creates immediate distinction.

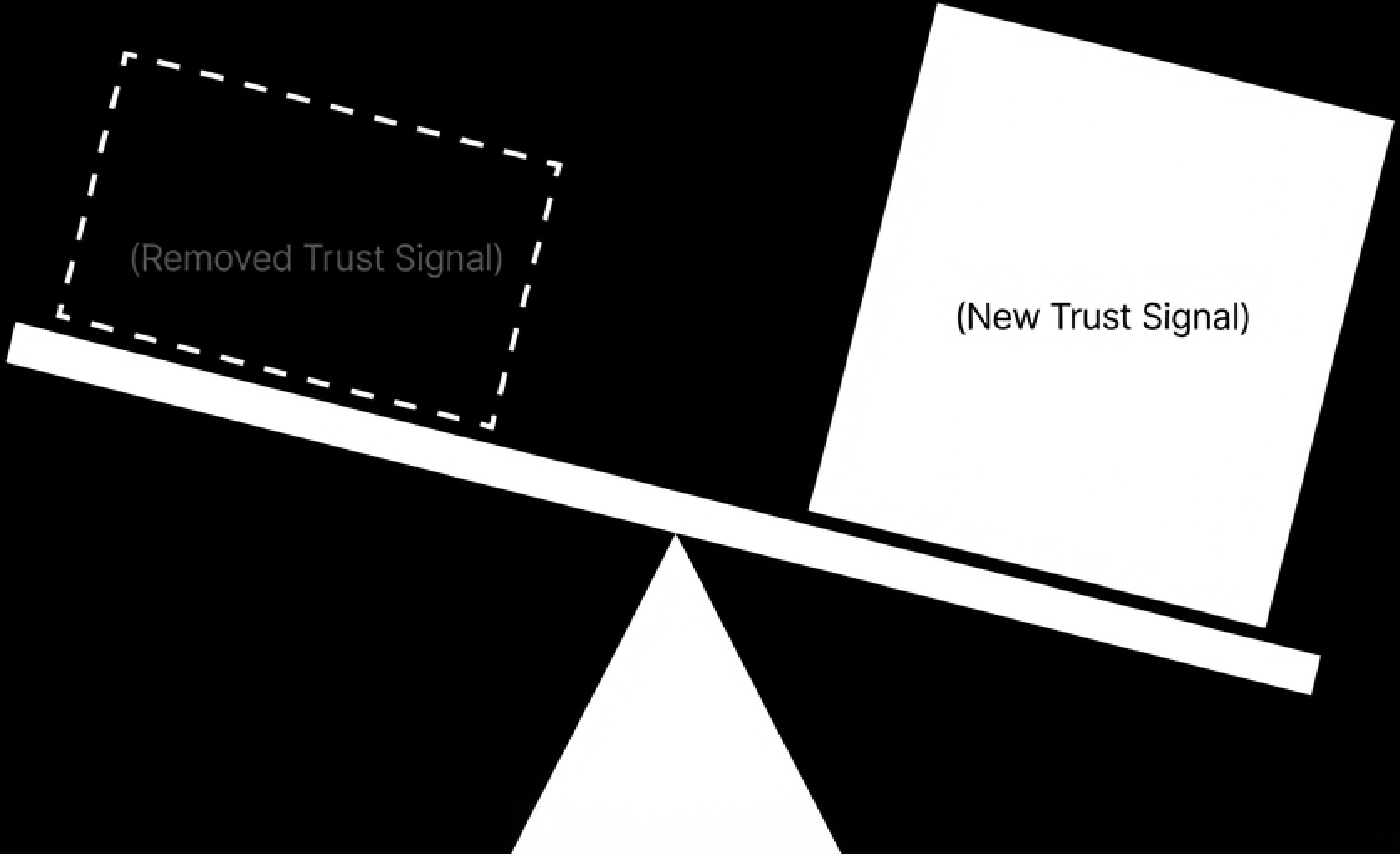
But there is a ceiling: You can look different without being different.

BREAKING MORES: THE LAW OF TRUST SUBSTITUTION.

Sometimes a category's trust signals are outdated. Removing them creates opportunity.

But you cannot simply remove a trust mechanism. You must replace it with something stronger.

Example: Stripe replaced institutional opacity with developer clarity. The trust shifted, but did not disappear.



BREAKING TABOOS: CHANGING BELIEF.

To break a taboo successfully, you are not just changing behavior. You are changing belief.

1.
A clear and compelling narrative.

2.
Absolute control over the user experience.

3.
Enough overwhelming value to justify the user's discomfort.

NAVIGATING LAWS: FORCING EVOLUTION.

Laws are not there to be broken, but they are often slow to adapt.

This creates space for models that fit between definitions or combine categories in new ways.

The most effective companies do not ignore the law. They force it to evolve.

The Cognitive Cost of Breaking.

There is no such thing as free differentiation. Every deviation introduces cost.

Customers must learn something new. Trust must be rebuilt. Assumptions must be challenged.

If the benefit of the change is not immediately clear, the default human response is rejection.

The Benefit: Redefining the Game.

When done well, breaking norms does more than differentiate. It shifts how value is measured, how pricing works, and who the customer is. Stop competing within a category. Start redefining it.

The Discipline of Precision.

The goal is not to break rules indiscriminately. The discipline is in doing so surgically.

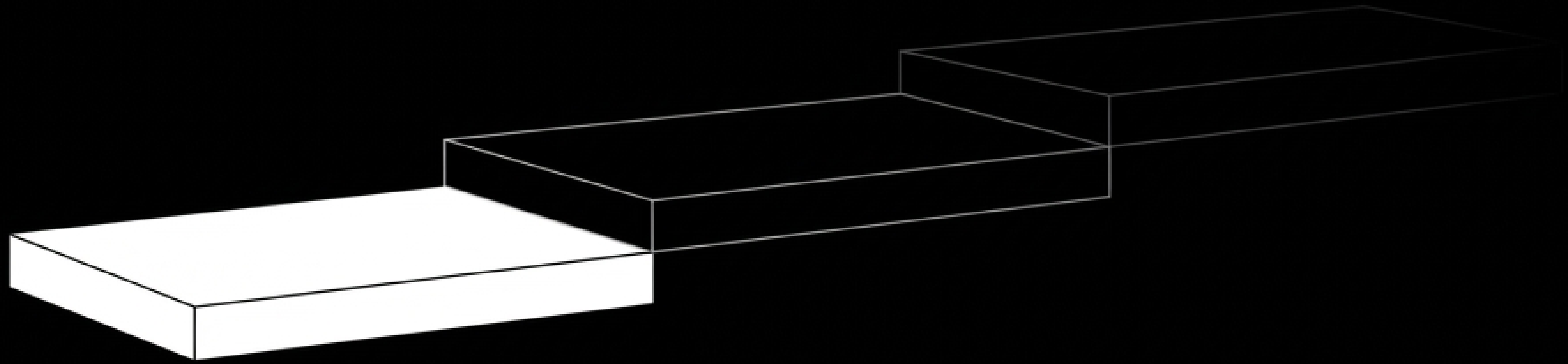
Break one meaningful thing, not many superficial ones.

01 Phase 1: Map & Interrogate.

1. Define the category as your customer sees it, not as you wish it to be.

2. List the norms across all four layers (Folkways, Mores, Taboos, Laws).

3. Interrogate each norm: Does it create actual value, or does it merely persist out of habit?



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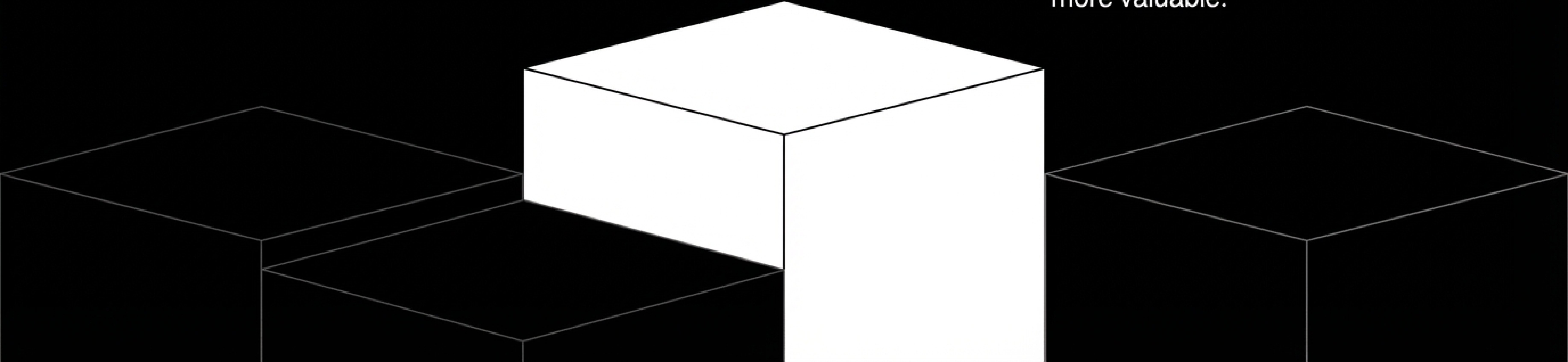
Phase 2: Select & Design.

Where there is friction, there is opportunity.

1. Select one or two specific norms to challenge.

2. Design the alternative deliberately. Do not rely on novelty alone.

3. Resolve the friction in a way that feels safer, simpler, or significantly more valuable.



Phase 3: Test & Tell.

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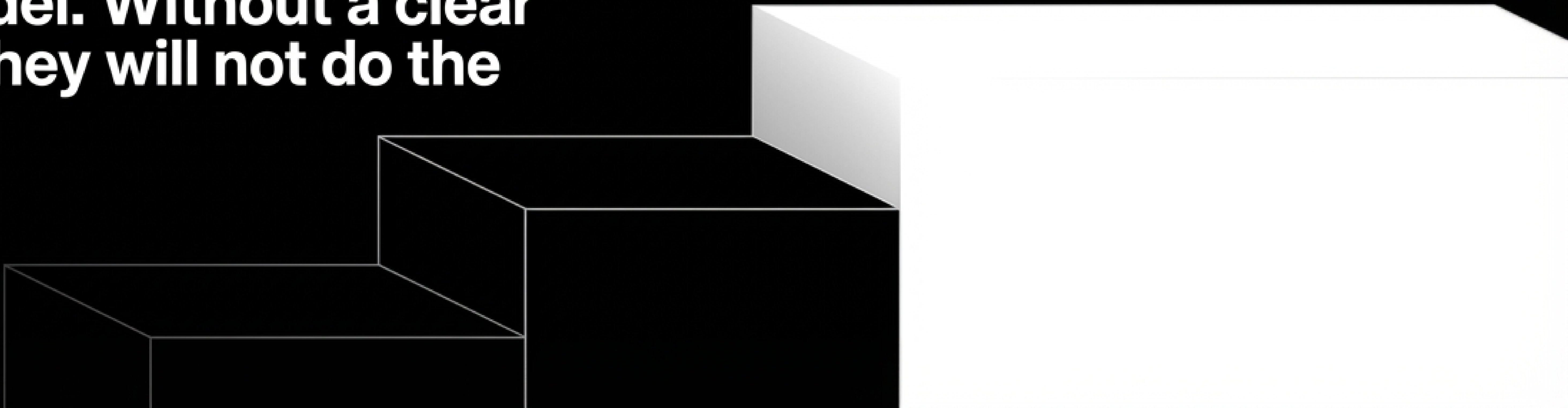
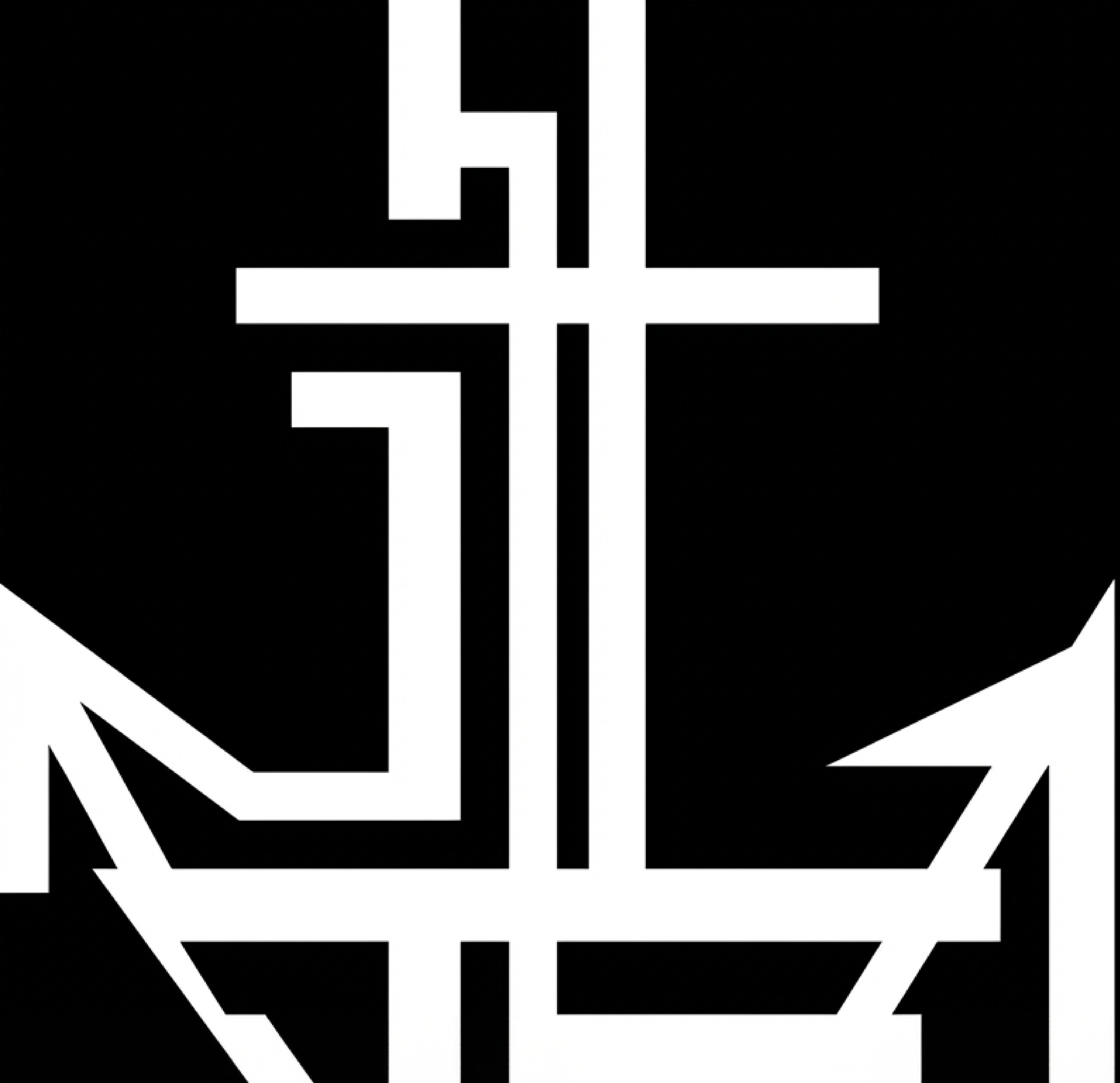
1. Test the deviation with real users, not internal logic.

2. Tell the story.

When you break a norm, you are asking people to update their mental model. Without a clear narrative, they will not do the work.





The Narrative Anchor.

You must anchor the unfamiliar in something recognizable. If you take away a familiar signal, introduce a stronger one. If you remove a step, increase clarity elsewhere.

“People do not adopt what they cannot place.”

THE STATUS QUO

THE STRATEGIC FRACTURE

THE CONTINUOUS LOOP.

CATEGORIES ARE NOT STATIC. THEY ARE NEGOTIATED OVER TIME THROUGH BEHAVIOR.

A SUCCESSFULLY BROKEN NORM EVENTUALLY STABILIZES AND BECOMES THE NEW BASELINE.

THE SYSTEM RESETS. THE WORK BEGINS AGAIN.

THE NEW STANDARD

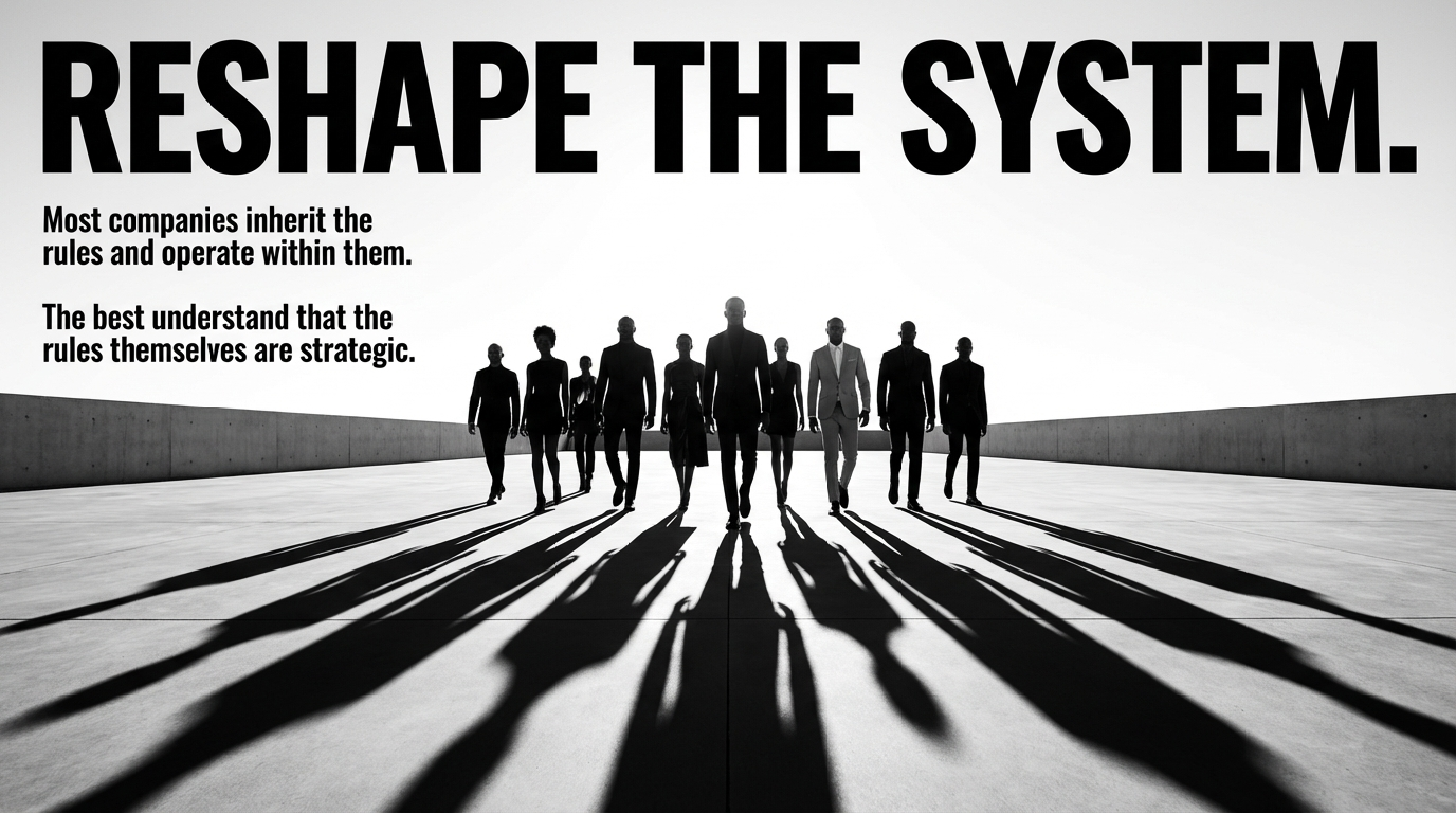
THE CATEGORY MANIFESTO:

1. Categories are shared expectations, not competitor feature sets.

2. Treat the invisible rules as choices, not fixed constraints.

3. Break precisely. If you remove a trust signal, replace it with a heavier one.

4. Anchor the unfamiliar. People reject what they cannot place.


RESHAPE THE SYSTEM.
Most companies inherit the rules and operate within them.
The best understand that the rules themselves are strategic.