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# Smart Marketing Bulletin

## Free practical tips to boost your business

### This month's topic:

## Getting to know your competitors

### 1) Why is competitor information important ?

By finding out about your competitors you will avoid running your business half-blind. You will know what you are up against in your market, what threats you face, and you will reduce the risk of the unknown. You will be better placed to define a competitive advantage for your business. You will know who your customers might switch to, why and how likely this might be. You will learn how good your products or service are compared to your rivals and opportunities where you could perhaps improve performance. You will be able to design sales and marketing tactics which present sharper, more effective messages.

### 2) Who are your competitors ?

Most businesses already know who their main, direct competitors are. Often they have worked with them or encountered them at trade events, heard of them through customers or seen their ads in the trade press, Yellow Pages or local newspapers. You should build up a list of all the main names and addresses. In addition, it is useful to think laterally about who else might be in competition for your customers. Many products and services could be considered as 'non-essential' and so customers may be choosing to spend their discretionary income between two very different sectors – for example, householders choosing between a holiday and buying some new furniture for the home.

### 3) What should you find out about your competitors ?

Find out as much as you can about all your main direct competitors. Important facts include:

- i) Basic credentials facts – name, location, type of company, history, size, ownership, identify of main Directors, number of offices.
- ii) Performance, resources and financials of the company – how successful is the company in terms of turnover and profit ? What has been the trend over recent years ? Is the company sound financially ? Any rumours or feel for how things look for the next couple of years?

- iii) What is the company's range of products and services ? What brands do they have ? What reputation do they have ?
- iv) Which markets and types of customer are they are targeting ? Where are they getting their main customers ?
- v) How do they promote and sell their products and services – e.g. pricing level, benefits stressed, image.
- vi) What are their strengths and weaknesses - compared to what your business offers ? For example, better quality or service ?
- vii) How do they look to be developing the business for the future – any stated goals, new products announced, new deals reported in the press with other suppliers or customers ?

#### **4) How do you find information about competitors ?**

It's easier than you might think ! Some of the main sources are as follows:

- i) Information direct from the company – corporate brochure, sales and product literature, annual report/accounts, website
- ii) The press – look out for ads, features, news pieces and articles in relevant newspapers, magazines, journals etc
- iii) Industry and business surveys and reports. Consult the relevant trade association or professional group. Visit your local business library.
- iv) Check the internet – tap in the competitor's name in your regular search engine (e.g. Google) and you'll usually be pleasantly surprised !
- v) Published accounts (available at Companies House) and financial information from commercial credit assessment agencies
- vi) Visit exhibitions and conferences where your competitor is likely to be attending
- vii) Consult relevant directories – have a look at public and on-line classified services (e.g. yell.com) as well as relevant trade or business publications
- viii) Talk with third-parties who might know about the competitor - including perhaps present or past customers, suppliers, distributors, contacts at your trade association, and any friendly media contacts you may have. Also consider if you know any former employees of the company – especially salesmen or managers.

If you do not have the internal resources to collate much competitor information, you can use an independent research company. You can also ask them to explore customer *attitudes* to competitors and make comparisons with your own business. Customers may be more willing to provide such information to an independent organization than talking direct to you.

## **5) Keep monitoring your competitors and spend time regularly assessing what you find out**

By keeping a watching eye on your competitors' advertising, promotions, press activities, internet information and other communications, you can assess possible strategies and be better forearmed to shape your own company's plans. For example:

- i) Heavy advertising expenditure could indicate a competitor trying to win greater market share
- ii) Price promotions may indicate that your competitor wants to be perceived as a value-for-money supplier or, alternatively, that they are suffering declining sales
- iii) Announcements about new branch or dealership openings might mean that a competitor is expanding into new territories
- iv) Staff recruitment advertising may signal a change in direction, a growth strategy or a sudden loss of staff

***Remember – knowing your competition is a key part of smart marketing.  
Good luck !***

***If you need further advice, please get in touch with Owen Morris on 01494 761811.***