



Market Knowledge

It Pays to Know Your Competition

In a tougher market environment, it pays to understand your competition. After all, you will be seeing them more often if you are involved in competitive quotes.

Consider the companies you compete with on a regular basis. What markets do they target most effectively? What are their strengths and weaknesses? How efficiently do they run their operations? What is their cost structure for materials, labor and equipment? If you don't have a full understanding of their business operations to accurately answer these questions, you need Competitive Intelligence.

Competitive Intelligence is the systematic and continuous monitoring of your competitors, whoever and wherever they may be, with the goal of better understanding their strategies and marketing plans. It's not spying or industrial espionage. Instead it's a true effort to understand your opponent. Remember that your competitors also seek to grow, make money and succeed. Your challenge is to outmaneuver them on the battlefield.

Start your competitive intelligence gathering by listing the top five firms that you encounter most frequently. Beware of blind spots if you focus your list too narrowly. In 2009, your traditional slate of opponents could change dramatically as many firms will look for new business by expanding their geography or roster of services.

Review each company's web site. Examine how they describe themselves and their services. Take notes on what you observe. What are their key selling points? What makes their services attractive to potential new buyers? What services are they offering that are the same or different from yours? Where are they focusing their efforts? Be sure to also "google" each firm to glean information from other web-based articles or resources. Often news articles can reveal plans for expansion or new product launches.

Obtain a copy of their marketing materials and compare them to yours. Take note of how they make their case. Are they selling value, price or unique gimmicks? What could you do to diffuse their key arguments? How does your own message stack up to theirs? Are you saying the same things or creating value by being unique?

Ask your suppliers what they know about your competition. They often have a wealth of insights into their operations, their key markets and their profitability. If you are interested in pursuing acquisitions, your suppliers may know of smaller firms that may be looking for an exit.

Analyze your competitors through the eyes of their employees, both current and former. Identify current key employees that you could approach if you need to fill a strategic position. Get to know them better. For former employees, invite them to lunch and ask them for advice on how you could improve.



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Often the best information comes from seeing it in person, so if your competitors have brick-and-mortar stores or warehouses, drop in to see what products/services are being promoted, check pricing or get display ideas. Send in a friend or relative if needed.

With smart data on the opposition, you will be able to target their weaknesses and capture more of the business for yourself.

About the Author:

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