

## Position Yourself Against Your Competition To Put Your Business Into 1<sup>st</sup> Place

Competitive athletes know that checking out the competition is as important as eating right, training and assessing their own strengths and weaknesses. Businesses that want to win have to get their head in the game as well. Evaluating and identifying your competition reduces risk, decreases money spent, clarifies necessary resources and saves you valuable time.

Customer demand for quality service and product runs high and sometimes blurs the lines of competition. Consider your local pizza parlor - it does not just compete with other pizza parlors, it competes with fast food chains, delivery services and ethnic restaurants. Everyone is fighting to feed the discerning consumer who is looking at price, flavor and convenience.

To succeed and get the most out of its marketing efforts, a company has to first make some critical decisions and close the gap on the range of competition. It's a mistake to try and be too much to too many people. In this marketplace, the winners exercise honesty with themselves and their customers about what they offer and whom they serve.

### Before You Analyze Your Competition, Clarify What Your Business Does

- What industries is my business in?
- What products and services do we offer?
- What brands are in direct competition with mine?
- Where do we do business?
- What are our channels of distribution?

While identifying your competitors can be challenging, it doesn't have to be. You can break them up into three categories: direct, indirect and occasional.

### Direct Competitors

Direct competitors are the specific brands or companies you feel tugging at your customers every day. They compete in the same geographic area as you do and they market a similar product or service. A small hardware store is in direct competition with other hardware stores within a certain driving distance for customers.

### Indirect Competitors

Indirect competitors are those that belong to a different business category, operate in a more remote location but offer a similar service or product. The same hardware store mentioned above is in indirect competition with a local large discount store, a more remote mail order catalogue and an online supplier that sell the same tools and equipment.

These competitors may very well be taking money and potential customers away from the hardware store.

### Occasional Competitors

Occasional competitors are not to be misunderstood as occasionally competing for your business. Instead they are to be seen as those companies who appeal to a similar interest of your customers or clients.

For example, the hardware store customer might purchase from the store with a home improvement in mind or they might make a purchase with a hobby that requires certain tools in mind.

On the occasion that the customer is purchasing home improvement items, other home improvement stores can be seen as occasional competitors.

Likewise, when the customer has the occasion to spend money on his/her hobby,

hobby stores would be considered the occasional competitor.

Once you have a sense of who is vying for your customers, you can make more strategic decisions about how to appeal to current and potential customers. Look at how your competitors do business and how you capitalize upon their methods. Analyzing the situation gives you a leg up on the competition and you can use the information to make sure you're the obvious choice to consumers.



### Solutions At A Glance...

In summary, this article deals with these issues:

- Clarify your business before you analyze your competition.
- Direct Competitors
- Indirect Competitors
- Occasional Competitors