

# What makes you different? Let your competitors help you market

**Analysing competitors helps you articulate what makes you different and why customers should choose you over them.**

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Before you can begin to develop your unique marketing strategy it is critical, among other things, to understand the market you compete in or you plan to compete in. As the ancient philosopher Sun Tzu said over 2000 years ago in the Art of War, "To make an assessment of the outcome of a war, one must compare the various conditions of the antagonistic sides."

## **Understanding Your Environment**

This article does not necessarily advocate an antagonistic approach to your competitors, but to develop an effective marketing strategy, it does encourage you to better understand and be more informed of your competitive environment so you are able to articulate what makes your company's service or product different. It is these differences that will help position you within your customers' minds as to why they should choose you over another product, service or option for their time or money.

At BrandQuest ([www.brandquest.com.au](http://www.brandquest.com.au)) we believe that one of the six fundamental questions you need to answer before you can begin marketing is "what makes you different to your competitors?"

Even if you are a not-for-profit or an organisation that believes you do not have direct competition, we can assure you that EVERYONE has competition. You just need to enlarge the size of the market you compete in to recognise it. For example a not-for-profit such a

charity certainly has competition - it comes from other organisations who compete for the same donor's time or money. Even a monopoly (e.g. a rail service) has competition from other forms of transport. Simply consider enlarging your market in order to frame your competitive environment. This process is also a useful exercise for companies with direct competition as it can help broaden their outlook with a view to product extensions or offers and potentially new markets and opportunities.

## **Make Competition Work To Your Advantage**

Competition also helps potential customers understand who you are - provides a frame of reference to understand your products, services and overall brand. In fact, the stronger the competitive environment the less customer education is required - as your customers can simply compare you within your category and make a purchase decision on which to choose.

New business ideas and concepts are often harder to communicate because you have to first "educate the customer" what it is that you offer, what purpose you serve and what makes you different. Part of the trick to successfully marketing a new product is to associate it with something a customer already understands (a broader market view) and communicate what benefits your product or service offers or how and why your product or service is better.

Using your competitive position is advocated by most modern strategic thinking (Porter et al) who preach Competitive Advantage or Competitive Differentiation. However when it comes to marketing, you must articulate your competitive advantage in terms of what the customer would discern as meaningful differences to them.

For example, if your competitive advantage is an efficient supply chain, then in terms of a customer view-point, you transform that into a benefit ie: we deliver our product to your doorstep faster than anyone else.

### How To Discover Your Points Of Difference?

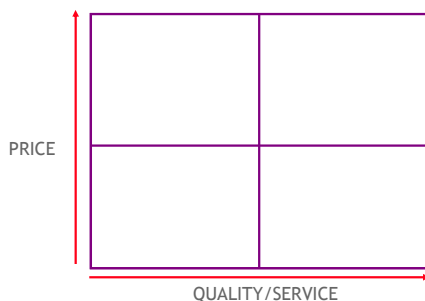
By analysing the competitive environment, you should be able to define three or four differences - your "points of difference" - that set you apart from your competition. It is important to note that each individual difference you define may be an attribute that some or all of your competitors may have - however, when you combine them all and summarise your differences, the outcome is unique to your business.

### Plot the difference to spot the difference

At BrandQuest, we recommend the use of two common strategic tools to help you discover and articulate your points of difference. They are: 1) Competitive Matrix, and 2) SWOT (Strengths, Weaknesses, Opportunities and Threats). Both tools will help you to discern your differences vis-a-vis your competitors.

#### 1) Competitive Matrix

A competitive matrix simply plots your competitors on a matrix of "Price" against "Quality/Service". The result of this is a proxy for "Value" e.g. in a car analogy a luxury vehicle such as a Rolls Royce would be in the top right quadrant whereas a Toyota might be in the bottom right quadrant and a arguably a Kia in the bottom left quadrant. There are serious problems if you think a company is in the top left quadrant!



It is also important to plot your organisation on the same matrix. If you are a start-up or a new entrant then you should place yourself where you think you will be

pitching your price/quality-service proposition. In the process of doing this exercise, make sure you articulate and capture the reasons why you have positioned your company where you have, and what makes you different.

#### 2) SWOT

Another strategic tool is a SWOT Analysis. In this process, you brainstorm all of your Strengths, Weaknesses, Opportunities and Threats. Once you have completed this task, you are well positioned to articulate what makes you different.



It is a good business habit that both the Competitive matrix and the SWOT analysis be carried out regularly. This process should provide indicators of shifts or trends (and importantly, plot any NEW competitors who have entered your category) within your marketplace.

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We also recommend that if you don't already do so, you should charge someone within your business to start keeping a competitive file on all your competitors and maintain it regularly.

In these web-savvy days, it is incredibly simple to gain important information from your competitors to be better informed and better placed to compete against them. Many documents such as product lists, new products or services, prices and costings, trading terms are readily available to download or will most likely be mailed to anyone who requests them. Additionally, public databases, such as the trade marks database, can be used to find new trade mark applications to shed light on your competitors' new business directions or who owns certain trade marks giving you an insight into ownership structures.

In summary, by analysing your competitors and deciding not only how you compete but also where you are positioned, you can go a long way to articulating what makes you different to your competitors and why a customer will choose you over them.