



Checking Out the Competition

Let's face it: To succeed in business, you've got to know what your competition is up to. It's always been true, but never more so than in today's highly competitive business environment.

If you're just starting a business, you need to find out whether there's room for you to be successful—and what niche is open to you. If you're building a business, you've got to know what you're up against.

You can, of course, hire it done, but getting into the trenches yourself could not only be far less expensive—but more enlightening. Here's how:

1. Identify your competitors by name, address, telephone number, FAX, email, URL, and any other pertinent contact information. Check directories and yellow pages in your field, in your geographic area of operation. Your library can also be of help. Think about who you've lost sales to, or who else potential customers or clients might consider for your service or product. If you have a sales staff, ask them. Make the list as broad as it needs to be. Chances are, it will still be fairly small. Include your own company on the list, and research it also, to be compared alongside the others.

2. Develop a list of the information it would be helpful to know about each of the competitors above. You'll at least want the basics: their service or product offerings; how they're structured, and how they work; their prices, and the basis for their charges; area of specialty, or "niche"; where they are really strong, and where they might be vulnerable; reputation, or marketplace image; level of their service or the quality of their product—where they "fit

in"; their competitive advantage, or point of difference; how they do business—their values, business principles and practices; marketing and sales activities, advertising and promotion; and what they're likely to do next. Other questions, specific to your situation will also occur to you. Brainstorm.

Now you're ready to start gathering information.

- Collect competitors' literature. Trade shows offer a great opportunity to gather literature and marketing materials from exhibiting competitors, and to listen to their sales presentations. Your customers may have some of your competitors' literature. Check the library; supplier reps; media reps; associations and other industry sources; business and social friends. You could even call the competitor and ask for their material.
- Check competitors' WEB pages. If they're on the WEB – and today the odds are strong that most of them will be – this is a good place to start; it will be the easiest, and probably most current way to get good information.
- Trade Shows and Conventions: List the events your competitors may attend. Go to as many as practical to (1) gather competitive literature; and to (2) visit with booth personnel, people visiting the booth, industry and media reps and other attendees. Remember to include smaller, and local shows. If any of your competitors is speaking at a meeting, go to hear him or her.

- **General Resources:** The library has many resources for getting competitive information. Check with the reference librarian. Check, particularly, the online reference from your major newspapers. You can also check with the Chamber of Commerce. Regional business publications frequently have reference services on articles they've published. Read competitors' advertising. If you have the budget for it, order reports from credit and other business services. Meet the industry media people, both locally, and on the national level. Talk with your competitors' former, and current employees. Talk with mutual suppliers. Check your employees' knowledge of the competition, their friends', and other contacts' knowledge. In addition, check trade directories and annual reports (if publicly traded). The information is out there. Just put your imagination to work, and you will come up with ways to get it.

Then develop a page for each competitor with a check list of each point you're looking for, and space to fill in the answers as you collect the raw data.

4. **Build a competitive grid** to make it easy to review and compare. Be sure to include your own company.

5. **Now what?** Once you have the information, it's time to use it. By itself, gathering competitive information will not guarantee your total success, but it will give you the basis for making sound business and marketing decisions; for checking the assumptions you've been working with; for determining your unique selling advantage. You will find ways to invest in opportunities providing the greatest return, and to avoid some significant mistakes as you develop your unique, marketable niche.