BUSINESS STRATEGY & GROWTH

Pay Attention To Your Competitors!

By Leyla Hussein • 19 November 2018

A client of mine lost a major account almost overnight and had no idea it was coming. A competitor had quietly launched a cheaper, cleverer version of exactly what he sold, and by the time he noticed, the customer had already moved. He was not outsold in the room. He was out-watched, months earlier. Paying attention to your competitors is not paranoia. It is preparation.

Any company that wants to succeed should be **reviewing and analysing its markets** constantly, because that is how you catch the trends and shifts in your industry. One of the biggest things that can reshape your market is the threat of a new entrant, or an existing competitor changing their strategy. Your competitors are the companies most like you in what they do, which makes them your top priority when you are building a more appealing strategy of your own.

Why you should care

Knowing who your competitors are and how they operate tells you what the shared market considers desirable. Some will be large corporations, some smaller firms, each with its own edge and its own level of threat. Researching them, and knowing what is already available in your market, lets you invent new ways to reach customers, and just as usefully, spot the approaches that have stopped working. All of that feeds a strategy to sharpen your competitiveness and grow your market share, and the larger your share, the more room you have to build a loyal customer base.

What to look for

When you research a competitor, go through their whole **product or service range** and look for overlaps in what they offer and how they innovate. Then study their website and social media, which are usually their main shop windows now. What is their strategy for talking to customers? Which demographic are they clearly chasing? How do they engage their audience? It is worth understanding how they entice people, too, whether that is a bundle or a discount, because there is always a reason behind the choice, and since you share the market, that reason should matter to you. Keep an eye out for a competitor about to launch something new, so you can predict the impact and have a contingency ready to limit the fallout. And if a rival moves into a new market, ask why. It might be that trends have shifted and customers no longer need what you sell, and you want to know that as early as possible.

The payoff

Analysing competitor activity can be a real asset, especially when a competitor invests heavily in research and development, because their moves are then likely backed by solid evidence. Their actions can warn you when your market is changing, and they can spark inspiration about the strategy you should be taking. Most of all, watching them closely lets you anticipate what they will do next and get ahead of it, taking the competitive edge and securing a bigger share before they realise you have moved.

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