

Think like the Competition

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Although most markets are fiercely competitive, with so much focus on demand generation, many marketers cannot allocate sufficient resources to anticipating competitors' moves. Companies need to make a myriad of strategic and tactical decisions regarding how they will operate in the market and engage with customers. These decisions often require a strategic lens that considers both the customer and competitive environment. A focus on customer insights is a good thing -- but when marketing organizations fail to anticipate competitors' moves that affect customers, all the insights may be for naught.

When was the last time you and your team took time to consider how your rivals operate, or might operate based on changes that you make? For example, if you brought a new product or service to market:

- Are they likely to discount their prices?
- Provide incentives to their partners in an effort to tie up the channel?
- Extend offers to customers that will dissuade trial of -- and switching to -- your offer?

As part of developing a go-to-market plan for innovations and/or market strategies, we consider technology, functionality, customer segments and requirements, channels and partners, pricing and promotion. Our competitors are doing the same. Therefore, thinking about these questions and areas from the perspective of your competition provides insight into their potential opportunities and possible responses. Answering the following questions from your competitors' point of view may enable you to better anticipate and counteract their moves:

1. What technologies or features might a competitor include to make its product/service more compelling to your target customers?
2. How much technological lead must each competitor need in their next-generation product or service in order to leapfrog the current products in the market?
3. How much more will customers be willing to pay for a competitor's technological or experience improvements?
4. What partnerships could the competitor establish that would affect your ability to gain traction and penetration in the market?
5. What customer segments could competitors tap to accelerate their growth and category share?

6. In what segments will price competition be the fiercest and how big are these segments? What position does the competition have in each of these segments?
7. How can the competition adapt any of their existing products to differentiate them further?
8. Which markets/geographies/customers will the competition focus on to protect their current share? In bringing a new offer to market? To grow their category position?
9. How will the competition position new products/services and bring these to market?
10. What barriers to entry can the competition create or develop that could delay our ability to respond?

These ten questions will probably spark more questions for you and your team to address. Reflecting on these questions will help you sharpen your thinking when it comes to innovation and market entry strategies.