

# Coping with Competition

## How should a business deal with increased competition?

The best way to deal with competition is to effectively identify it through market research and industry analysis. The company should also position itself in the market relative to its competition. It should focus on brand recognition and product differentiation to establish its name as separate from that of competitors. The company should also follow competitor movements, such as price changes, introduction of new products and mergers and acquisitions. The company should always be aware of its competitors and improve itself and its offerings based on that as an ongoing process.

Don't try to keep up with your competitors. Just don't do it. It is the wrong move.

Think about it. Competitor A cuts her price in half and gains some customers. What do you do? Cut your price too, and hope to win back some of those customers? You didn't get into business to be a copycat. You need to set your own path.

### *Don't Follow*

If you are making moves because of actions your competitors are taking, you are inevitably sailing in their wake. The competitor becomes the leader. You are now making your business decisions based on their business plan and vision, and not your own. Congratulations, you're a follower.

If you are the owner of a meaningful business, you will never change course in reaction to the actions of a competitor. Instead, you will make all of your decisions based on your own plan. Let everyone else follow some lemming over the cliff. Your job is simple. Craft a business that works for you and for your customers.

It's hard to lose business to a competitor. The gut reaction is to think that you are doing something wrong. You will be tempted to change course, to play the game by your competitor's rules. Well, don't. You better have your own set of rules that you play by. If you deliver superior service, you have no business trying to compete on price.

## ***You Don't Get Every Customer***

Here's the thing. You can't have every single customer. Even if you accomplished this, the government would step in and break up your monopoly. There are customers out there that you just won't get to have. So stop coveting your competitor's customers, even if they used to be your customers. You need to find your ideal customer niche, and then own that niche.

Losing customers by the boatload? Then, sure, you need to reevaluate your business. But do it on your terms, not someone-else's.

## ***Be Unique***

Keeping up with the competition is a losing play from the outset. You have a completely different company. Different staff, different financials, different everything. So, if you try to model your business after the success you think you see, without regard to your unique business, you will be creating a monster. While you start to have some success, your internal engine will get all gummed up, and you will eventually go down in flames. Instead, focus internally. Make sure you have a solid company that can bring in sales, service those sales, and grow at a sustainable pace.

## ***Look for Weakness***

Have a competitor always nagging at the edges, cherry-picking your best customers? Instead of seeing their supposed strengths and trying to replicate, how about looking for their weaknesses? You need to find chinks in the armor of your competitors. Then you can return the favor, on your own terms.

If you want to win in business, you need to cut your own path. Don't create a copy-cat company. Be the leader and stand for what you stand for. Find your ideal customer niche and live and breathe it. Look for weaknesses in your competitors and position yourself to be strongest in those areas. Do all of this, have a good heart, and you will win.

## **Top 3 Ways to Beat the Competition** **By Shari Waters**

- competitive analysis
- competitive pricing

- increasing retail sales

It's inevitable that your retail business will have some form of competition. And while you can't control what your competitors do, you can minimize their impact on your business. Here are three ways to rise above the competition.

### **1. Reduce Expenses, Not Advertising**

Take a look at your Profit and Loss statement, or itemize all of your expenses, and ask yourself how each line can be eliminated or reduced. Find out where you can cut back. A little here and a little there will soon add up. However, the one expense you do NOT want to reduce is advertising. In fact, many retailers will increase their marketing efforts during slower sales periods because there is more competition and fewer consumer dollars.

### **2. Get Creative**

Retailers in the same industry generally use similar marketing methods to reach customers. Now is the time to get creative and use unconventional marketing methods to distinguish your business from the competition. A unique marketing campaign attracts more attention and lands more sales. Also, look for some new untapped market you and your competitors overlooked. You may uncover a niche market you can dominate with little or no competition.

### **3. Provide Outstanding Customer Service**

By going the extra mile to provide good service, retailers can outlast the competition. Make shopping in your store such a memorable experience that customers can't wait to come back or to tell their friends. People like to shop where they feel comfortable and where they feel the owner truly cares about their wants and needs

Competition exists whether you like it or not. Competition is a big player throughout all of our lives from the school playground and graduating from university to finding a job and then competing with other firms when we launch our own businesses.

When considering competition, you shouldn't fear them. It's a very good thing to have competition. It means there's clear demand out there for your products and/or services. Competition is also helpful when you're looking to shape and improve your own company. It's a natural aspect of the business world and one you should embrace positively.

But how do you deal with the competition? Here's some of my do's and don'ts on how to tackle competitors:

#### **Do know who they are**

Research your competition to find out who's out there in your creative field. Consider their strengths and weaknesses and figure out what it is that they're doing really well. Using your research, you can make improvements to your own business and ensure you're offering the same, if not better, level of product or service to your target market.

#### **Don't bad mouth the competition**

There will be many a time when someone will ask for your opinion about a competitor. That's whether you're meeting a new client, networking with other firms or talking online. Whatever happens, you should never ever bad mouth the competition. Ever. Period. Why would you even want to in the first place? What would be the motives behind doing so? Be nice, be sincere and don't revert to childish behaviour. And if someone is bad

mouthed someone else to you? Consider *their* motives and take their comments as a sign that they're not to be trusted.

### **Do embrace your competition**

Although competition can be frowned upon, things have changed in recent years. Social media and the Internet have opened up a world of collaborating, sharing and caring, making many businesses more approachable, friendly and welcoming. I'm a strong believer that there's plenty of work to go around, so believe it's better to embrace the competition and get to know them.

We've got lots of friends in business that also happen to be competition and find that our working relationship is ideal. We pass each other work, go to similar networking events and look out for each other. I know this might seem like a very idealist view of seeing things and that not all competition will be as friendly, but trying to embrace competitors is a positive way of dealing with them. Give it a try and send a friendly email to a competitor to introduce yourself.

### **Don't copy, be inspired**

It might be tempting to completely copy a fellow competitor who seem to be doing really well, in the hope that you'll share some of their success, but don't do it! It will only be obvious what you've done and extremely foolish, especially if the competition has been around for longer than you. That's whether you copy the exact words on a competitor's website to add to your own or even offer something unique that your competitor is already providing. Be inspired, don't copy. Come up with your own original ideas and you'll be on the right track.

### **Do focus on yourself**

Concentrate on your own business and put your heart and soul into it. Learn as much as possible and never ever rest on your laurels. Keep pushing and striving for perfection. Always do your very best and you'll go far to beat your competition. If you focus too much on the competition, you'll forget what's most important - and that's your business. So be aware of the competition but don't obsess about it. As Henry Ford once said, 'The competitor to be feared is one who never bothers about you at all, but goes on making his own business better all the time'.

### **Don't get into price wars**

Think that cutting costs and being cheaper than your competition will help you to beat them? It probably won't, so stick to reasonable prices and don't undervalue your services. Besides, when clients consider hiring you they don't just take into account the cost. They'll consider other aspects like the quality of the products and services you provide. And, if you provide quality, you'll be able to justify a higher price. And if you price yourself too cheaply? You risk putting off some customers who will become suspicious of your prices or who would prefer to go for a more expensive competitor for reassurance and peace of mind.

### **Do have confidence in your abilities**

Competitors will always do well and they'll sometimes seem like they're impossible to beat. This isn't the case, so stop doubting yourself and have confidence in your own abilities. There is work out there and the only thing that's stopping you is yourself. Have confidence and get out there and win business. Just because you think your competition might be better, that's no excuse to think you're no good or will never succeed. Be bold, brave and embrace every opportunity you can.

### **Don't follow**

Are you tempted to do everything your competitors are doing? Keeping an eye on what they're offering and then doing the same? It's more than likely that you've become a follower. And being a follower never really gets you anywhere. Try instead to become a leader. Have faith in your own business plan and stick to it. Make decisions based on what's best for you and your customers, not what's best elsewhere. Don't follow, lead!

### **Do understand that you can't win everyone**

There will be many times when you lose out on business to someone else. Try not to take it personally as you simply can't win every client that comes along. When you do lose out, be humble and gracefully accept the decision. Don't - whatever you do - be rude or aggressive with a client that went elsewhere. They might well come back to you in future if your competitor turned out to be unreliable or let them down. Just remember to never ever burn bridges.

### **Don't play catch up all the time**

If you're always chasing after your competition, trying to do exactly what they do in a pathetic attempt to 'keep up', you'll be creating your own monster. Businesses are all different. If you're trying to fit your entire model around someone else's company, you'll only set yourself up to fail. It's much better to focus internally and build a business that is tailored specifically to your own market and your own ethos and strategies.

### **Do offer something unique**

When you've worked out what your competitor's weaknesses are, you can use this to your advantage by finding a niche and specializing in a certain field. Once you've found your niche service or product, go with it wholeheartedly and have confidence in your speciality. You'll soon be fighting off customers with a stick. Also keep an eye on the industry you're working within to adapt your services accordingly.

Take my own business, for example. Three years ago, I was surrounded by some excellent traditional PR agencies and being only myself as a freelancer I didn't have a chance at competing on the same level. But I recognized the growing impact of the digital revolution and changing media landscape and its subsequent industries like public relations and marketing. That's when I decided to specialize in *digital* PR and marketing. Although it was a leap of faith at the time - especially when so many large agencies were dismissing social media as a 'fad' - it was the best decision I ever made. One of my most recent clients hired my company on the strength of our digital expertise.

So try to offer something unique that no one else is providing and make sure you're the best at it.

## **How to Cope With Competition in Small Business**

### **The Best Ways to Handle Your Competitors and Stay Alive in Business**

Beating the competition is what business survival is all about. You're not just trying to get customers, you're trying to get them *before* your competition gets them. There are 3 ways to beat the competition in the business marketplace: specialize, adapt, or join the competition.

#### **Specialize**

Find a niche inside the industry itself. Specialize in one specific area of your industry. This is how many hotels can survive in one market, because some cater to specific budgets or amenities. There are high-end, mid-priced, budget, resort, and themed hotels. Specializing helps each one stay alive. Be the cheapest, the best, or a specific theme or type of business in your industry.

When I owned a video store, to survive I slanted it toward foreign films and sci-fi movies. The other video stores sent customers to me, and I did likewise. Since the mainstream stores didn't have many foreign DVDs, they felt comfortable sending those customers looking for such to my store. I didn't have many mainstream films, so I sent those customers to the mainstream guys. My niche worked well for more than a decade.

#### **Adapt**

Look ahead to see if you can beat the competition to the next phase of your industry. Is your industry shifting online, or moving to more high-end products? Get tuned into the market and move quickly to beat them to the punch. Be the first to offer what your customers *are going to want* next.

A friend of mine owned a bicycle shop, and he saw that the trend was moving toward eco-friendly products. A few years ago, he was the first in our city to start offering solar powered bike lights and other "green" products. He branded his store chain as the first "green" bike shop in the state. This got him ahead of his competitors. When the ecology fad hit big, he was right on top of it.

#### **Join the competition**

If you can't beat them, join them. Sometimes the best way to profit from your competitors is to form partnerships with them. This is why most airlines have code sharing in markets they don't serve well. It allows them to offer service to a wider market by adding other airlines' flights to their own routes. You can do the same thing in your small business. Find a way to complement each other, instead of beating each other into the ground.

For example, if you have a flower store chain and your competitor is taking half your business, find a way to join with them to better serve the whole city. You can advertise together and each take half the city for deliveries, one takes north and east, the other takes south and west.

## **What not to do**

Extreme price cutting is generally not the best way to beat your competitors. Your profit will be too small, and your competitors might match your prices.

Trashing their name or reputation is also a mistake. These practices generally come back to haunt you.

Saturating the market with ads in order to dominate the market rarely works. Only a few companies have been able to spend enough to see a return by saturation.