

Understand your competitors

What sets you apart from your competition?





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When determining what your Unique Selling Proposition (USP) is, you have to determine what sets you apart from the competition.

In order to understand the strengths that your business possesses, you need to understand what else is out there in your market place and where you position yourself in relation to them.

Every market has competitors, be they direct or non direct. For example if you were a provider of train services a direct competitor would be another provider of train services, and a non-direct competitor would be, for example, a provider of bus services.

In order to comprehensively assess your competition you can carry out a competitive analysis.

If you have been read our other guides you will know how to create a marketing strategy and segment your market. This information will help you form the basis of your competitive analysis, as you should by now have a good idea of exactly what it is that you have to offer, what markets you operate in and how your product or service adds value. You can now begin to think about which companies out there are competing with you for your customers' time and money. The main factors to think about when conducting a competitive analysis are:

- The general nature of competition in your sector, and how customers choose one provider over another- think about what it is that makes your customers choose one product or service over another, be it price, reputation or visibility.
- Look at their strengths and weaknesses in comparison to your own.
- Their size – are they bigger, does this have an impact on market share?
- The market share they command – is it more than you, could you perhaps look at different markets? Or is there still room for growth in your current market?
- Their comparative product/service quality – is your product or service better quality?
- Their growth – if they are experiencing fast growth, why is this?
- Their available capital and resources – do they have better resources, what do you have that they don't? Excellent relationships with customers perhaps?
- Their image – If it is more current than yours, do you need to think about a re-brand? How are they perceived by customers and externals?
- Marketing strategy – if they have a successful strategy, perhaps you could look at yours and see if there's room for improvement?
- Target markets – do they target all of the same markets as you?

Something to bear in mind is that for many service providers the nature of competition depends on word of mouth because advertising is not completely accepted and therefore not as influential in the sector. Therefore price is not always as important a factor as some may think.

Compare your product or service with the factors you have identified your competitors possess. How do you compare? For example:

Your management consulting business is a one-person home office business, but you have excellent relationships with a major manufacturing company that calls on you for work because of your expertise and reputation.

The main thing to bear in mind when benchmarking your competitors is how you are positioned in the market and what differentiates you from the rest.

Read our other guides in the range:

- **Determining your USP**
- **Know your tactics**
- **Raise your profile**
- **Acquiring new clients**
- **Determining your market**

Horizonworks Marketing is a strategic marketing company based in the North East of England specialising in the science, technology, healthcare and manufacturing sectors. We provide a range of services to clients including:

- Marketing strategy
- Marketing planning
- Communications
- Branding
- Public Relations
- Events management
- Sales and marketing campaigns
- Mentoring



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