

Gurulocity  
30 Days to a Winning Small Business Marketing Strategy  
Module 3 Lesson 4  
What to Look For When Analyzing the Competition

Now that you have some places you can look for competitive information, let's talk about what you should be looking for. You don't want to scour the earth for an endless amount of information that isn't useful. So, here we are sharing with you the most critical things you need. Look for the answers to these questions as you examine competitive website and materials. You'll also be getting a template that you can use to capture this information.

First, who do you think their target audience is and is it any different than yours? What do you think their target persona looks like?

Second, what do you think their benefit is? What are they communicating in terms of their proposition, their hook, the thing that is of value to their target audience?

You should also get a basic read on core products and services that they offer.

Then take a look at their pricing. Pricing really has two components. One is the pricing strategy which includes price levels like low, medium, and high, and noting what the major price points are. The second component of pricing to consider is if they have a unique pricing model. So, as opposed to some simple one-time transaction and charge, are they doing something different? A subscription-based service is one really good example.

Next, note their biggest strength or point of difference. This takes a little bit of humility. Sometimes you may not want to admit that your competitors are good at something, but chances are they are good at something and you want to know what that is. So, what's their biggest strength?

You also want to flip that around and ask what are their weaknesses? In other words, what's their gap or what's an issue with what they're doing—things you can take advantage of or exploit.

And lastly, flip that weakness around and turn that into what makes you better than them. What's your point of difference versus them?

It's worth spending a moment to illustrate the difference between a point of parity and a point of difference. Essentially a point of difference is how you're uniquely superior to your competitors, something that makes you different from them in a meaningful way. A point of parity, on the other hand, is something that you might do or that your service might include that isn't unique. Instead, you are simply matching the competition. Think of it as the minimum cost of entry you know you need to do just to be in the

consideration set. Lastly, there may be an area where you willingly underperform the competition or give something up because it's not critical based on your strategy.

Here are some examples.

If you're a home builder, maybe your point of difference is modern design. Between the architecture and the fixtures in the home, you may be leveraging a certain design style as a point of difference versus another home builder. In terms of parity, you might decide that you do need a sound structural foundation. Otherwise people won't consider your home at all. But then you might also give up on a few things based on that strategy. You're not worried as much about eco-friendly materials or cost-saving attributes in the home. Really for your target customer, you know those things are much less important.

If you're an auto manufacturer, you might prioritize hybrid technology as an important point of difference for you. Prius is probably a well-known example of that. Well, you may not want to give up completely on something like safety because you know that that's a minimum most car buyers are looking for. Most people expect seatbelts, airbags and similar features. However, you might be willing to give up on performance. Your customer may be less worried about acceleration or engine power.

If you're a consultant, maybe your point of difference is that you give people really fast answers to their questions. You know you need to provide good data quality even though that doesn't make you different, and maybe you're willing to give up on creativity. There are other companies out there for that and it's not something you want or need to specialize in.

Now that you understand points of difference and you're armed with what to look for, move on to the next lesson where we'll show you a simple template you can use to quickly collect the competitive information you need and quickly make sense of it.