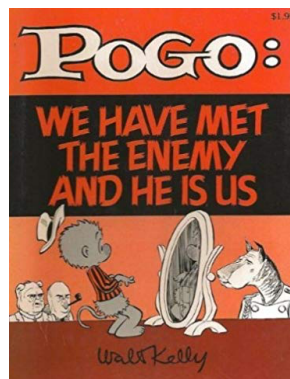


## CRITICAL MARKETING MISTAKES - OVERSTATING YOUR CAPABILITIES AND UNDERESTIMATING THE COMPETITION – PART 3

Poor marketing practices negate achievement of favorable business results and undermine the role of marketing. This article, the last in a 3-part series, deals with two errors that go hand-in-hand, overstating your brand's and/or organization's capabilities and underestimating the competition. Part 1 addressed the causes of each. Part 2 focused on ways to avoid the error of overstating your capabilities. Part 3 provides suggestions regarding *how you might avoid underestimating your competition*.

### The Enemy is US

The cartoonist Walt Kelly borrowed the phrase, "We have met the enemy and he is us" for use in his popular Pogo syndicated cartoon strip. It means that we are responsible for harming ourselves, often more than the so-called "enemy", the competition, which is certainly true when we overstate our brand's and organization's capabilities and, underestimate the competition. We are our own worst enemy when we do not prepare for the possibility of failure whether it be from overstating or underestimating.



We'd like to turn this statement on its head and look at our brand and organization as the enemy and attack it to reveal weaknesses that need to be shored-up and generate ideas that will make our marketing more productive.

### War-Gaming – Contingency Planning

Some of the clients we serve (namely the large, conservative pharmaceutical companies) don't allow the term "war-gaming", as it suggests being predatory to their legal counsel. Other names include "contingency planning" and "scenario planning", or even "'competitive' scenario planning". Choose whatever terms are suitable to your organization, it doesn't really matter to us. What does matter is to take competition seriously and anticipate what they might and could do if they possessed knowledge of our marketing plans – strategies and execution (including clinical studies, segmentation, etc.).

The objective is to walk in the shoes of your key competitors and think like them in responding to your brand's and organization's plans. In other words, marketers and their functional supportive cast should assume the role of the competition. Proposed framework is to:

1. Identify the many ways that competitors might thwart the marketer's brand plans and gain an upper-hand in the marketplace with target-customers. This should be done for all constituencies. For example, in pharmaceutical and medical device companies one should consider the HCP (Health Care Practitioner), patient, payor, retail pharmacy and, perhaps, caregivers among others.
2. Once the marketer has a listing of competitive actions then s/he and the team needs to identify the likelihood of each occurring and the adverse impact on the plan should they occur.
3. The final step would be to brainstorm actions that deflect, neutralize or turn the competitors' actions against them.

"As a 'marketing team' thinketh" so shall it act. It is important that we drop our insular, overinflated view of the market and our brand's place in it and take the perspective of the competition (what you would do if you were the competition). The enemy is our brand and organization, and the objective is for us, posing as the competition, to defeat it!

### **A Case History**

Our time at Coca-Cola USA revealed the benefits of this approach. We had completed preliminary marketing plans and attempted to probe for weaknesses. Additionally, we wanted to encourage "out-of-the-box" thinking of BIG ideas capable of generating "incremental sales" (beyond plan). Unfortunately, the broad functional team could not entertain any weaknesses, or what we might do differently, or more of, that might improve the impact of our marketing. After all, we were "Coca-Cola", a perfect beverage with the best bottlers, the most effective marketing and most resources. According to the team, we were impregnable, until we asked them to assume the role and perspective of the competition.

One group from the team took on the role of the PepsiCo organization and Pepsi-Cola brand, another 7-Up, and yet another Dr. Pepper. If we were engaging in this same exercise today we would include other beverage categories such as bottled waters, sports drinks and single-serve coffee brands as these have been eating into the carbonated soft-drink category (CSD) and Coca-Cola USA's growth. And, at the time our goal was (and probably remains) to increase Coca-Cola's share not just of CSD but of stomach for liquids (i.e., take share from coffee, milk, water, etc.).

As each group took on the role of a competitor they began to see differently and found ways to advance attacks on all things Coca-Cola. When everyone was satisfied and proud of their accomplishments we identified the top competitive actions that could hurt the brand. We then followed with brainstorming actions for brand Coke (and other Coca-Cola USA brands) that would not only thwart these competitive actions but would have significant incremental impact on growing our brand. We found a way with war-gaming to avoid underestimating the competition and making our marketing more productive.

## Action Plan

There are many actions one might take in war-gaming/contingency planning/(competitive) scenario planning. Here are some worthy of your consideration:

### 1. Be the Competition:

- *Competitive Review* – Review competitive activity over the past few years, with particular emphasis on key events in the most recent past. Key events are one-time occurrences that have a big impact such as the introduction of a new product, campaign, clinical study results, access with payors, winning a tender or getting exclusive distribution, etc. Address pricing, positioning, messaging, promotion – their use of marketing mix elements, how and to what extent they are using them. This will provide a sobering appraisal and insights into how competition goes to market.
- *Pressure Test Your Brand* – Review and adapt previous work such as your SWOT, benchmarking, and marketing research, as seen from your competitor’s perspective, to identify vulnerabilities, pressure testing and adapting, as appropriate, the brand positioning strategy, messaging, segmentation and target-customer focus. Given how competition views us how might they position themselves, and what can/should we do about it?
- *Wreck-Havoc* - Within the role of specific competitors identify/brainstorm specific strategies and initiatives you might take as your competitor to protect their brand and best ours. Don’t just stop at one pass but make multiple runs on what you, as your competitor, might do. Think big, bold and bad. Wreck-havoc!
- *Choose for Impact 1* – Make choices based on likelihood of doing and impact of besting your brand. Approach this from two angles: 1) competitors’ histories; and 2) their taking extraordinary, but plausible, measures to prevent your brand from taking hold in the marketplace and/or progressing.

### 2. Be Your Best:

- *Self-Offense* – The adage “the best defense is a good offense” is the focus here. Brainstorm to identify specific solutions/actions your brand and organization could/should undertake to thwart, counter and/or remedy the most likely and significant competitive actions identified in the aforementioned “Choose for Impact 1”. As George Washington wrote, “*offensive operations, often times, is the surest, if not the only (in some cases) means of defense*”. Let your offense be your defense to stymy competitive action or cause their action to be ineffective and, perhaps, even damage perceptions of them. If we used our team to think out-of-the-box when posing as our competitors, we need everyone to be equally creative in thinking out-of-the-box to come-up with high impact solutions for our brand.
- *Choose for Impact 2* – We can’t do everything! There are simply not enough resources in any and all organizations (not even Apple). So, we must be selective. This is about making the difficult choices to establish priorities by distinguishing the “essential high impact” activities from the “nice to do” but “non-essential” activities based upon perceived (better yet, proven) impact on sales and market share.

Certainly, there are many exercises an experienced, strategy-minded facilitator can employ to maximize results within each action. Also, it is important that the facilitator be able to push back where appropriate to make sure that the team is not falling back on overstating their brand's and organization's capabilities and, underestimating the competition.

### **Oppositioning**

This is the way competition is most likely to come at your brand (and organization), particularly if you are in pharmaceuticals or medical devices since the sales force is the major vehicle for messaging. Specifically, your competitors are going to do your job for you. Namely, they will position your brand in unflattering terms, revealing or creating perceptions of weakness and vulnerability, that they will exploit to their full advantage. They'll use oppositioning to take your brand down, even before it is launched, and bolster their brands. What we're talking about here is their creating and controlling the dialogue in such a way as to negate your brand positioning and messaging, and elevate themselves in the minds of target-customers.

We're currently working with a pharmaceutical client that is about one year away from launch. They will be the first in a new therapeutic area. The competitor is about one-year behind our client. However, the competitor is already talking about our client's emerging product, attempting to disparage its efficacy and undermine its viability. The competition is attempting to block adoption of our client's product, so they may swoop in and take the business.

Whether engaged as part of war-gaming or a totally separate exercise put yourself back in your competitors' frame of mind and find ways to opposition your own entry. Look for potential vulnerabilities and pounce on it. Then you can deal with countering the oppositioning.

### **Close**

Anticipating and preparing for failure will enhance your likelihood for succeeding, if nothing more than providing well thought out responses rather than reacting inappropriately or too late. Failure can come from overestimating our capabilities (internal) and/or underestimating our competition (external). Either way the results won't be pretty *so plan for success but prepare for failure.*

Best wishes,  
Richard Czerniawski and Mike Maloney