Marketing Matters

By Richard D. Czerniawski

ENLIST YOUR COMPETITION TO CONQUER YOUR COMPETITION

Competition is vying to achieve target customer preference over similar products and services from rivals. The prize is to generate more significant sales, market share, and profit growth to sustain the business enterprise and create brand loyalty.

It's incredible that the word "competition" and the phrase "to be competitive" is frowned upon in more circles than ever before. It suggests a battle of egos and is dismissed as being damaging to personal development and society. Today, many children engaged in a competitive event are awarded trophies for showing up and participating, despite their standing in the outcome—fourth or seventh place is celebrated as much as achieving first place.

But competition is not a bad thing. It is not evil. Unless, of course, it is about winning at any cost, such as making a Faustian bargain and participating in unethical practices or ruining others.

No, competition can be a good thing—for that matter, an excellent thing. For one, it helps avoid complacency, which leads to decay and the eventual marginalization of the brand and business. For another, it spurs innovation. To win customer preference, we must find ways through innovation to stay ahead of the competition. Furthermore, it can lead to reducing prices for target customers.

As I've stated many times, we live in an "age of abundance and sameness" where GAQ (generally acceptable quality) reins. This situation is our reality. If we are not going to be competitive with rivals, we need to find ways to be competitive with ourselves. At a minimum, we should pose this question to ourselves, "how can we best our performance to win our' target customers' hearts and minds?" If we don't enhance our competitive capabilities, whether it be other or inner-directed, our brands and businesses will suffer dire consequences.

One thing we might consider is enlisting our competitors to join in with us to achieve our goals. Obtaining competitors to help us in our quest may appear oxymoronic, but it is not. Competitors may knowingly or unknowingly be enlisted to enhance our competitive capabilities to best the field of competitors. One approach is to hire away the high achievers from competing companies. The best time to accomplish this is when our competitors are in disarray. Specifically, when competitor organizations are undergoing reorganizations, being acquired, scaled-back, etc., it is ideal for striking them by reaching out to the high-performers and get them to jump ship.

In the situations above, personnel within the company in transition experience brain and activity freeze. Just about everything is put on hold. No one is willing to make decisions as the new boss or regime may not agree to it. Moreover, everyone expects the business will head in a new direction. So, it's time for sitting on your heels and wait and wait.

Consequently, business momentum is halted and may even be reversed. Morale dives as uncertainty abounds. This is prime time to strike and hire away your competitor's highest achievers in marketing, sales, and other critical parts of the organization. This is the time to fill gaps and upgrade your team. It’s an opportunity to leap-frog your competitors and, at the least, improve your brand’s market standing.

Another approach is to acquire a competitor where and when it doesn’t involve antitrust practices. It can be less costly and more certain to gain market share or a prominent market standing in an existing or new category through acquisition rather than attempting to build it through your marketing. PepsiCo took this strategy with its acquisition of the Quaker Oats Company. PepsiCo repeatedly failed in its quest to create success in the sports beverage market. In acquiring Quaker in 2001, it established itself as the leading sports beverage force by now owning Gatorade—the category's creator. Additionally, they broadened their foray into the lucrative snack business beyond their leadership position with the Frito-Lay Food Company by taking an established market position in healthier for you granola bar and rice cakes categories with Quaker.

Yet a third approach is to create an alliance. This collaborative approach is becoming more common in the pharmaceutical industry. "A" company might fund Phase III clinical studies for the "B" company. Perhaps, the "C" company shepherds their discovery through clinical testing while "D" company markets or sells it. It's all about finding the resources needed to be a (more) viable competitor. One assignment I worked on was an alliance between a small start-up pharmaceutical company and a major one. Lunching with the start-up CEO, she told me about her frustration in securing a collaboration with a company that could commercialize the compound for them.

She informed me that many of the BIG pharma companies rejected her bid. They asked if her company needed funding. The answer she exclaimed was, "NO!" What she needed was commercial infrastructure to launch and market the compound. She finally found a major alliance partner. The rest is history. The compound became a blockbuster in the oncology area and subsequently sold for a reported 24-billion dollars. The start-up company could not have achieved this success without its alliance with the BIG pharma company and its infrastructure.

As strange as it sounds, enlisting your competition may prove to be what you need to beat your competition.

Don't beat yourself—AVOID CRITICAL MARKETING ERRORS of omission and commission. Adopt proven principles, best practices, and quality processes to impact sales, market share, and profit significantly. Learn more here: http://bdn-intl.com/avoiding-critical-marketing-errors

Stay SAFE and be well.

Peace and best wishes,

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