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## **Know Your Competitors -- They Know You!**

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Smart marketing means knowing your competition. Why? Because they know you! No business operates in a competitive vacuum. In fact, there are plenty of businesses out there just waiting to target YOUR market for their next sale!

How can you fight back? First of all, you need to figure out who your competitors are. Generally, any business who sells (or has the potential to sell) similar products or services is your competitor. Another way to think about competition is to ask yourself: "What am I competing for? Is it leisure time, recreational dollars, or discretionary income?" For instance, in addition to competing against other go-cart tracks, this type of business is also competing against mini-golf, bowling, movies, and staying home!

Once you've identified who your competitors are, the next step is to develop a structured approach to evaluating each competitor. Remember, this is a never-ending battle so you must make this a continuous process. Keep a list that you update at least monthly.

Getting the facts on your competitors is a critical step. There are many ways to do this such as "shopping" the competition, scanning the yellow pages, talking to friendly competitors (perhaps in a different town), calling the Chamber of Commerce, and carefully scrutinizing advertisements, classifieds, and special promotions.

What type of information should you collect about your competition? Everything!

During your scouting activities, there are several specific business attributes you should check out. They include:

- range of services and/or products
- location(s)
- pricing strategy
- product attributes such as quality and packaging
- years in business
- advertising themes
- image (upscale, low price, country, sophisticated)
- customer service
- distribution methods

For each business attribute listed, rate how your business stacks up against the competition. Ask yourself: "Is my business better, equal to, or at a disadvantage when compared to the competition on each attribute?" Use this comparative rating to determine your competitive strengths and weaknesses and begin to develop a plan which capitalizes on your strengths and bolsters your weaknesses. This will help you determine, develop, and maintain your competitive edge.

Knowing your competition IS smart marketing. After all, can you afford to give sales away to your competitors?