



Marketing Strategies to Help You:

- ◀ **Make \$1,000,000 to \$5,000,000 Every Year**
- ◀ **Dominate a Market/Eliminate Competition**
- ◀ **Triple the Value of Your Business**



Know Your Competition

Marketing & Advertising—66 Strategies: Y2M TIP 40

Sometimes it's easy to identify and combat your competition, but there are a few scenarios you may not have considered when sizing up your competitors and formulating your strategy. You can classify competition into three general categories: direct competitors, indirect competitors, and then there's the dreaded "inertia." We'll use a weight loss product to illustrate these three kinds of competition. Stay with us now. Even though you're not in the weight loss business, the example is an easy one to understand.

Let's say you're marketing an all-natural weight loss pill that metabolically "melts" fat away. Remember: there are three categories of competitors - direct, indirect, and inertia. Who are your direct competitors? First of all, the other 50 to 100 pills on the market that metabolically melt away fat. There's a ton of them. You could also include similar products like weight loss skin patches, shakes, etc. - the list goes on. These are all products a customer could buy instead of yours that at least claimed to do the same thing.

What about indirect competitors? Indirect competitors are products a prospect could buy instead of yours that aren't the exact same kind of product but offer the same benefits and results. So ask yourself this question: What is the end benefit of using your product or service? What other kinds of products offer the same end benefit? Those are your indirect competitors. For weight loss, there are tons of them. Since the end benefit you're promoting is weight loss, think of all the other products that can do that - including Weight Watchers, Jenny Craig, books, audio & video tapes, personal trainers, doctors, chiropractors, acupuncture, health food, fitness equipment, sports equipment, membership gyms, and some options that don't even cost money, like exercising at home. These are all things your prospect could do or buy instead of buying your product. These are your indirect competitors.

And what about the dreaded inertia? This is a tough competitor to combat. It's called "DOING NOTHING." **Your prospect could just not do or buy anything.** In the case of our diet aid, it means staying fat; taking no action whatsoever. That's a tough competitor to beat because *it costs the prospect nothing and it's really easy to do.* Plus, the prospect has already

proven that he's really good at doing it.

So why do you want to know your competitors? Because then *you can design your marketing and advertising strategy to address and combat them* and the advertisements would be different...depending on the competition. Now that we've identified each of the three kinds of competitors for the weight loss pill, let's determine how that would affect our advertisements. First, if you were selling against direct competitors, you'd have to articulate *all* the reasons why your formula was superior...whether that means better or more scientifically proven ingredients, higher doses of certain nutrients, cheaper prices, it has to be taken less often, the pills are smaller, the supply lasts longer, fewer side effects or whatever.

But what if you were advertising and competing against indirect competitors? First of all, your target audience better not be all that familiar with the direct competitors or your message won't carry much weight. They'll hear your comparisons against indirect competitors and wonder why - or if - you're any better than the other pills on the market. It would be like advertising that a BMW is better than a bike. True enough, but people would be wondering why it wasn't being compared to another luxury car (a direct competitor) rather than a bike (an indirect competitor). But for weight loss, you could talk about how much easier the pills are than going to the gym or how much cheaper they are than buying an expensive piece of exercise equipment that you'll hang clothes on and sell in a garage sale in 2 years. You could talk about how much cheaper the pills are than joining Weight Watchers and how it's far less painful than going to the acupuncturist. And so on.

Think about what your strategy would be if you were selling against inertia - a.k.a. doing nothing at all. What would you say? What would your slant be? First, you'd probably talk about the benefits of being thin then you'd compare the benefits of your products against INDIRECT competitor (for example, easier, cheaper, less work, etc.). Why? Because the reason they're doing nothing is that they perceive all their options to be too hard, too expensive, or too time consuming. So you'd be introducing a way to lose weight that overcomes all those problems. You probably wouldn't even need to mention direct competitors.

Consider another real life scenario. We have a client that sells a franchise-like business opportunity in the e-commerce industry. So let's say you're going to write and place ads with the intent of finding people who are interested in investing in starting their own business. Who do you compete against? Direct competitors? Indirect competitors? Inertia? Do you know? The answer is...it depends on where you advertise.

One place people who are in the market for buying or starting a business go to find ideas is *Entrepreneur* magazine. There are tons of ads in there for businesses - over 300 different opportunities in fact. So in this case, advertising in *Entrepreneur* magazine, they are competing against direct competitors - all the other business opportunities vying for the business. So we hit the prospects head on with a headline that said, "The 3 Biggest Reasons Why You Should Immediately Grow and Safeguard Your Business."

On the other hand, we also do a lot of radio advertising to find people interested in starting their own business. In this case, however, we would be competing against inertia. Someone who's listening to the radio probably isn't doing it so they can hear an advertisement about a wonderful new business opportunity. We've got to create the interest from scratch and turn them on to the idea of making more money by getting involved in a business. We have to say things that get the fuse lit just a little bit. We can't just say this opportunity is superior to other opportunities and here's why. It wouldn't make any sense. Could we say those things to the *Entrepreneur*

magazine crowd and have them make sense? Absolutely. But not to the radio audience. See how that works?

You're probably not selling a franchise and probably not selling a diet pill. The point is to identify your competition. Ask yourself the questions we just went over and make a list of your direct competitors and your indirect competitors. Remember: you find those by asking first what is the end benefit of using your product or service? Second, what other kinds of products offer the same end benefit? And finally, does the prospect have the option of doing nothing and if so, what would you have to say to get him to take action? Here's a hint: it needs to be really low risk.

This Value Building Strategy was brought to you by...

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