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BEWARE OF THE BLENDER

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Quick Summary: Avoid attempting to meet all competitive challenges simultaneously with the same offering.

Abstract:

It is natural to cast a wide net, attempting to capture as much of a market as possible and try to compete with every competitor. That is precisely what prospects do. Unfortunately, universal approaches seem to fail universally. Instead of comparing your offerings to all others, compare them one at a time in order to thoroughly understand how you stack up against each. Develop individual competitive strategies accordingly.

In highly competitive and crowded markets, it is easy to fall into the trap of talking about "the" competition as if it were one composite entity. Imagine a marketing person for a car company developing a competitive comparison that:

- Carefully lists their vehicle's capabilities
- Comparing it with the low cost of a Kia
- The quality of a Lexus
- The performance of a BMW
- The prestige of a Mercedes Benz
- The dealer network size of General Motors
- The off-road capabilities of a Jeep.

The comparison would be quite depressing. Of course, the example given is an obvious overstatement. Unfortunately, when making competitive comparisons, it is easy to jump from one competitor to another, losing sight of the fact that the original apples-to-apples comparison morphed into something else entirely different. Attempting to match your offering to the composite of multiple competitors is similar to driving down the middle of the road; no one is there, and for a good reason. Being in the middle or average implies you are the best of the worst or the worst of the best. You end up with an equal chance of satisfying no one. Pricing in the middle of the market is especially dangerous. As discussed in the article in this collection. 5/070303, "*Disarm Them*," the price is rarely the sole criterion used in making a buying decision. In those rare instances, the low price, not the middle price, usually wins.

One way to avoid the "middle of the road" strategy is to develop "rail diagrams" that list the extremes of a series of features or characteristics of an offering. Examples of rail diagrams are discussed in article

8.02106, "*Comparative Analysis with Rail Diagrams*." Using the automobile market as an example, some of the attributes that could be compared are:

- Seating: Two-seater or room for eight
- Fuel Economy: 8 MPG or 50 MPG
- Acceleration: Zero to 60 in 4.5 seconds or 20 seconds
- Drive Train: Rear-wheel drive or all-wheel drive

Eight to twelve attributes are generally enough to consider. After they are selected, place your targeted competitor between the two extremes or rails of each attribute. Place your own offering on the same chart. Your competitive advantages or disadvantages will quickly become clear. The advantage of this approach is that you will be more objective than if you select what you think are your key attributes first and then create the comparison. Further, you will avoid the depressing blended competitor approach by comparing one competitor at a time to your offering.

The natural tendency for any company is to attempt to address the largest market segment possible. Perhaps a better approach is to target the most probable market segment that will relate to your fundamental capabilities. Said another way, fight in your own weight class, acknowledging that there can be many winners, each in their own weight classes. Focus your competitive activities on only those companies that provide a direct threat to you. Leave the blender in the kitchen.