



Zeffective Explains: Competitive Intelligence

Marketing would be easy if it weren't for the fact that you always face some type of competition. A competitor is anything that wants the same thing that you do. It can be an individual, a company, or even a completely unrelated activity that distracts potential customers away from you.

You need to understand your competition for a lot of reasons. First, you need to know which ones to focus on and which ones to avoid. You want to stay away from competitors who are much stronger than you. If you take customers away from a stronger competitor, you may trigger a reaction from them that you aren't prepared to handle.

The intensity of competition will affect the overall potential for success of your business. This is why it's important to consider all types of competition when planning your business, to ensure that you have the edge over others in your industry. You need to compare your strengths and weaknesses to theirs to see how you match up. This will help you select the right strategy to win.

Competitors come in three different types:



1. **Direct** - anyone who is selling the same things you are, and delivering the same benefit
2. **Indirect** - anyone who sells similar products, with different benefits
3. **Substitutes** - any unrelated product or service that a consumer can use in place of your products or services

At Zeffective, we begin by analyzing our clients' competition using a tool called a competitive matrix. A competitive matrix provides an effective way to compare things like size, market share, strengths and weaknesses, and especially the key strategy elements, like the value propositions. What does each company have in terms of key resources? How do they use those resources to acquire and retain customers?

Once we complete a matrix, we take a closer look to find insights that we'll use later when deciding on your strategy.

