

How to Reconstruct A Competitor's Marketing Platform

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Introduction

Reconstructing competitor marketing platforms (whether they relate to pricing, marketing objectives or unique selling propositions) is an important skill in developing counter attack strategies to capitalize on a competitor's weakness.

I characterize competitive intelligence as working backwards to reconstruct elements of a competitor's marketing plan. Similar to field detectives and forensic scientists, competitive intelligence specialists work with shreds of data to consolidate findings and extract new insights.

Shadow Marketing Plans, a.k.a. Phantom Plans, are in effect, pseudonyms for reconstructing marketing platforms of a competitor's business plan.

Consequently, the objective of this article is to demonstrate how daily competitor advertising material,

whether it be a career ad or direct mail, can effectively serve as "evidence" to help you reconstruct elements of your competitor's marketing plan.

Guideline to Reconstructing a Competitor's Marketing Plan

Table 1 overviews the various "sources" of competitor documentation (including annual reports, speeches, direct mail, etc.) and the "competitor platforms" (e.g. plant capacity, volume projections, and marketing objectives) which can be drawn from these sources.

Please note the headings are not mutually exclusive.

In other words, plant capacity estimates can also be drawn from press releases and from newsletters. For simplicity, one source has been linked with one platform.

Tips

- Avoid getting overly detailed with collecting data. (We typically focus on 3 pieces per investigation).
- Technical jargon will especially sink your time, unless you limit your scope and expectations before embarking on your diagnosis.
- Replicate headings from your business plans to your shadow plan.
- Have colleagues from Human Resources, manufacturing, sales and advertising work with you to 'decode' the competitor's marketing data.
- Fuse key findings from your company's research reports, strategic plans and environmental scans into your analysis.
- If you have to choose one of the three different competitor ads to analyze, select the one that has the greatest exposure.
- Work with the competitor documentation that is readily available to you. This will allow you to put more effort into your analysis.

TABLE 1: Guideline to Reconstructing a Competitor's Marketing Plan

Competitor Platform:

	Plant Capacity	Org. Structure	Corp. Mission	Vol. Projections	Mktg Objectives	Key Features	USP	Key Benefits	Pricing & Terms	Target Aud.	Future Plans
Source*:											
Annual Reports	x**										
Career Ads		x***									
Speeches			x								
Press Releases				x							
Newsletters					x						
Packaging						x					
Signage							x				
TV Advertising								x			
Point of Sale									x		
Direct Mail										x	
Trade Advertising											x

How to read this table:

* Source refers to the competitor marketing vehicle selected from to reconstruct the competitor platform.

** References to plant capacity would likely be noted in the competitor's annual report.

*** A career ad would also contain references to corporate mission, marketing objective, etc. However, if you were to identify **one** platform to scan for, we suggest, 'plant capacity'.



Conclusion

Reconstructing competitor marketing platforms from publicly available information serves to **uncover** competitor weaknesses and planned initiatives. These two derivatives represent the essence of competitive intelligence.

The examples we reviewed represent the 'tip' of what can be accomplished through reconstructive analysis. Imagine if we added a dissection of the competitor's packaging, product, rate structure and warranty terms!

Hence, if you do not take the time and energy to carry out some basis of reconstructive analysis, you will end up generating 'nice to know' information, versus hands-on insights and direction.

TABLE 2: Reconstructing An Organization Structure From a Career Ad

Situation

- You can either file away the following classified ad or use it to replicate, to the best of your ability, the competitor's market position, mandate, environment and organization structure.

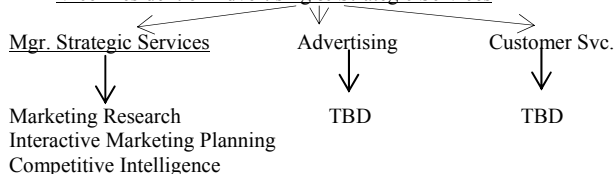
Manager, Strategic Services

Our dedication to providing innovative and cost-effective services has made us one of the leading business-to-business marketers. We currently have an opportunity for a Manager, Strategic Services. Reporting to the Vice-President of Advertising and Strategic Services for the Consumer Services Group, you have overall responsibility for market research, interactive marketing plans, including the internet, and the competitive framework which will determine our strategic stance in the marketplace. From this foundation, you will work with Marketing, Advertising and Customer Service to develop a customer-focused and market oriented strategic plan.

- You choose the second option and succeed to reconstruct key elements of the competitor's organization structure, as follows:

Reconstruction Analysis

Positioning: Canada's leader in business to business marketing
 Mandate: To provide innovative and cost effective services
 Corporate Environment: Customer focused with emphasis on team management
 Organization Structure: Vice President of Advertising & Strategic Services



Your Time Allocation

- Analyzing and sketching the above diagram took 45 minutes.
- Conferring with your Customer Service and Advertising managers for their "best guess" on what functions fall under the two departments marked with a "TBD" (to be determined) will take another 25 minutes, bringing the total exercise to a little over an hour.

TABLE 3: Unmasking a Competitor's Key Weakness from a Direct Mail Piece

Situation

You receive a direct mail piece from three long distance companies announcing new services and savings. As a marketing manager for a small calling card company you are intrigued by the ad copy and decide to carefully sift through the literature until you have discovered a key weakness for each competitor.

Reconstruction Analysis

Platform	Competitor A	Competitor B	Competitor C
Communications Objective	To advise Competitor A users of cost savings incurred because they are automatically billed at the lowest rates	To convince the reader that their program is designed to be superior in meeting all customer needs	To emphasize cost savings both in LD feeds and in helping customers better manage their costs
Key Copy Claim	"Take advantage of flexible LD services that automatically bill you at the lowest rate"	"You're not just a number with us"	"For ultimate access to LD savings"
Point of Differentiation	Only pay for what the customer uses	Full refund if dissatisfied within 90 days	3 free days of LD calls in first 3 months
Minimum Monthly Requirement	\$ 45	\$ 80	\$ 35
Benefits	<ul style="list-style-type: none"> 20% off 5pm-11pm 40% off 11pm-8am and weekends 	<ul style="list-style-type: none"> up to 50% off on all LD voice, fax, calling cards 	<ul style="list-style-type: none"> up to 30% off local calls up to 55% off LD calls
	no subscription fees or svc chgs reliable, clear, consistent quality no mention	no per call surcharge no mention 90 day refund	free corporate calling cards no mention no mention
Key Weaknesses	Ignores competitor cost savings	Minimum monthly (\$80) spending requirements, close to double the competitors	Restrictions such as \$25/month minimum charge, are written in exceedingly small type at bottom of page
Implication	Vulnerable to aggressive competitor intrusions	Prospective customers will be reluctant to switch due to the \$80 minimum monthly requirement	Obscuring this important information will lead to a % of customers' discontinuing their services once they read charged they had not anticipated

Your Time Allocation – Analyzing and reconstructing the marketing platform took 3 hours, conferring with colleagues took another hour.