

How Well Do You Really Know Your Competition?

Be able to effectively communicate the differences between your competition and you to make it easier for customers and prospects to make decisions.

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In “The Art of War,” Sun Tzu says “If you know the enemy and know yourself, you need not fear the result of a hundred battles.” With that in mind, can you concisely and effectively describe to a prospective customer how you are different from other building materials distributors in your market?

And I don’t mean saying things such as “We have the best service in town,” and “We have a lot of inventory and great prices,” but differences that are impactful, meaningful, and really set you apart from others in the market. There are psychological and emotional reasons why your ability to do this is important.

Humans have one brain, but psychologists indicate that over time it has become more complex, essentially leaving us with two brains: A modern brain and a primal brain. Your modern brain (frontal cortex) is responsible for problem solving, memory, judgement, and reasoning. Your primal brain (hindbrain and medulla) is responsible for survival, drive, and instinct.

Christophe Morin, Ph.D., and co-founder of the neuromarketing agency SalesBrain, believes that neuroscience research can help salespeople target the decision-making part of the brain, the primal brain, which encourages buyers to make faster, better choices. Research reveals six stimuli that can be used to simulate the primal brain: Visual stimuli, memorable stimuli, tangible stimuli, emotional stimuli, personal stimuli, and contrastable stimuli. This article will focus on contrastable stimuli.

Being able to contrast options allows the primal brain to make quick and safe decisions. If we’re not able to contrast options, the primal brain enters a state of confusion, which ultimately results in delaying a decision.

In order to effectively demonstrate how your offering compares to those of other similar companies in the market, you must know a great deal about them, and how your total offering contrasts to theirs. Fully understanding the competitive landscape in your market requires knowledge about your competitor’s location, people, equipment, products, service platform, and general pricing parameters. How big is their location, what do they stock, how many trucks do they have, how is their staff perceived in the market, what processes do they have in place to service their customer base, what is their range of pricing, etc.

This is not a one-time data acquisition effort, but knowledge that is gathered over time as you work in the market. This leads to two questions: Where do I get the competitive information and how do I gain access to it when needed?

Competitive information should be gathered every day. Drive by and observe your competition’s physical locations, search their yards on Google Maps and note the layouts. Ask customers and prospects about other building material distribution centers in your market at every opportunity (what do they like and why? Any upcoming special events? What don’t they like and why? Are there any sales and promotions?).

There are a myriad of topics or types of information that can be gathered during everyday conversations with contractors in your market. These small pieces of information can be weaved into a bigger overall understanding of your competition over time. Which brings us to gaining access to this information when needed. I find very few companies in this industry have a system in place to help their salespeople, and others within the organization, record and store competitive information for future use. If no such system exists at your company, I recommend you take this upon yourself.

Whether it’s a notebook, or a series of file folders, make sure you have a place to document information you receive and go back to review it from time to time. Sales leaders at branches can assist by assigning a competitor to each salesperson, ask them to prepare a competitive analysis, and then present this to their peers. Then, facilitate discussions where the group defines their unique differences as it relates to each competitor. This would be a fantastic exercise for the sales team and should be done at least on an annual basis.

I speak to many sales leaders who question how much their sales teams really know about their competitors and, more importantly, how they compare to them. We know what happens when we assume things. Don’t make assumptions about your competitors; know your competitors, be able to effectively communicate the differences, and make it easier for customers and prospects to choose you!



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