

## SME's can take on the big boys

For many in business “big is beautiful” and the cyclical nature of mergers and acquisitions seems to reinforce the belief that only larger companies succeed, and that if you are Small Medium size Enterprise (SME), you will always struggle to compete. There is, however, considerable satisfaction to be had from watching a small business taking on a bigger rival, sometimes winning, but always learning. So as a small business owner is it possible to compete with the big boys at their own game? Here are six tips for getting one over the competition:

### 1. Understand your competition

To beat your competitors you must know your competitors. Resource allocated to researching the competition should be seen as time and money well spent. Understand what it means to be their customer and see how it compares to your own operation. Do you know your competitors' pricing models? How does your competitors' product or service compare against your own? Talk to existing customers and take on what they tell you. Devise ways to tailor your offering to exploit the gaps or weaknesses in the competition.

### 2. Know what they are doing

In business you don't have the luxury of a crystal ball, but there are ways of learning what your competitors are doing and how you can take advantage. Always be the first to know their news so you can react quickly. There are a number of tools available that can help:

- **Google Alerts** - allows you to specify search terms so you can set the update frequency and sit back for news to arrive straight to your inbox. Searches can be set for brands, people and products in your market sector.
- **Copernic** - automatically scans for changes to websites and alerts you when they are made.
- **Trade press** – will contain information and press releases from companies within your industry so look out for who the mover and shakers are within your market sector and what they are doing and saying.

### 3. Nurture your existing customer base

In the quest for global domination it can be very easy to focus too much attention on gaining new customers while your existing ones are forgotten. Reverse this mentality and use your agility to make sure that your customers are happy customers. The key is to turn your current customer base into brand advocates. Nothing sells a product or service better than the existing users.

We all have a favourite shop and will always use it and avoid other shops marketing efforts to tempt you away. However, it will not be perfect and you could probably think of a number of ways they could be better. Find out who your competitors' biggest fans are and see if you can learn from them. If you can make them converts to your company's products or services, you have made inroads into your competitor's market share.

#### **4. Learn from them**

One of the best ways of getting an advantage is to use the big boys' marketing budgets against them. Get the competition to pay for increasing the footfall into your store, or unique visitors to your e-commerce site. While this may sound difficult there's at least one easy technique that can work for you.

Huge brands spend millions of pounds each year on product positioning, celebrity endorsement, slogans, PR and advertising. To use this, first you need to carry out some research. Spend time monitoring your competitors, e.g. sign up to their mailing lists, look out for ads they are placing and keep an eye on their website for changes. The idea is to use your size to act quickly, be reactive and work to position a proportion of your offering to be complementary.

Successful retail businesses do this very effectively. They monitor their competitor's website and blogs for specific fashion trends or products and advertises against these, using low cost but highly effective online ads.

#### **5. React quickly**

Not every big business gets it right and many large businesses frequently get the basics wrong, so don't be tempted into believing that the big guys are always right. Sometimes it pays to sit back and let the competition make the initial mistakes. Google is a great example of a company that looked at the existing market, learnt from its competitors' mistakes and devised something that met the needs of their customers more effectively.

#### **6.) Be unique**

If you understand how your bigger competitors work, and what is successful or not, you are able to look at how you could get one over them by offering a more "personal" service for example. Many small shops are suffering at the hands of larger chains, particularly supermarkets, and although they can't match them by being open 24/7, they can still compete.

Market your business as treating customers as people not numbers. Do some footfall research as see when they are busy and you aren't. You might consider not opening on Monday and Tuesday mornings as you are always quiet then, but staying open until 8pm on Thursday and Friday when more people are about.

#### **REMEMBER!!!**

**Being a small business can be challenging, but while they don't have the resource to take on their bigger named competitors "head to head", they do have the ability to be agile, and that can often allow them to punch above their weight.**

**There are always chinks in the armour of larger companies, and if you can identify even a small weakness, and know your own strengths, big may be beautiful but small can be beautifully formed.**