

Practitioners' Use of Competitor Intelligence: the Dibb/Simkin Competitive Positions Proforma

The understanding of competition is not generally strong in most organisations. Managers may be able to name their rivals, and these businesses' products, price points and outline promotional activity, but rarely are managers able to suggest rivals' next moves or to identify an individual competitor's strengths or weaknesses. Therefore, managers cannot be taking into account the capabilities and market standing of such rivals when they construct their own target market strategies. The result could be a significant waste, as a company's marketing programme may fail to enable the business to set itself apart from its principal rivals. Worse, the business may be incapable of combating their rivals' marketing strategies.

The ultimate goal in marketing is to produce a differential advantage: something desired by targeted customers and only offered by a single supplier. Failure to analyse rivals means that the creation of a differential advantage is going to occur only by chance, rather than due to knowledge of competitors' strengths and weaknesses.

The strategists also point to the need to address an organisation's own weaknesses. In particular, a management team should be aware of which rivals are best placed to exploit any weaknesses in the organisation or in its marketing mix. Over time, the competitive set will change, as new entrants and substitution solutions to customers' requirements emerge. The relative strengths and weaknesses of competitors will alter, too, often rapidly. The competitive set must be monitored closely and not just occasionally.

Chapter 9 identifies methods for collecting competitor intelligence. Once the competitive set has been defined – through the customer's eyes – and some knowledge has been built up about these brands, a useful tool to deploy is the competitive positions proforma.

This technique is based on warfare analogies and assumes that the analysis is replicated for each individual target market segment. Within each segment, it is necessary to allocate the competitive set – which may include substitutes and possible new entrants – into the following categories:

- **Market Leader.** Only ever one in a segment: the player or brand with the biggest market share. The market leader should (1) expand the total market, (2) expand its own market share, and (3) protect existing market share. The market leader has to defend and attack.
- **Market Challenger(s).** Non-market leaders that want to be the leader! Aggressively attacking for market share gains by investing in new product development, establishing distribution, promotional activity, field force increases or price incentives.
- **Market Follower(s).** Low-share rivals without resources, market position, R&D or commitment to challenge. The 'me-too' smaller players in a market segment.
- **Market Nicher(s).** Companies that specialise in terms of market/product/customers, by finding a safe, profitable niche or narrowly defined segment.
- **Market Fast Mover(s).** Smaller players with intentions to be much bigger. A rival not yet large enough to be classed as a Challenger, but one worth watching or 'knocking out' before it is too late.

The Dibb/Simkin Competitive Positions Proforma

		Grocery Superstores (out-of-town)	Supermarkets (town centres)
Market Leader	ID:	Doing Well plc	Still Trying plc
	Market Share:	28%++ (growing)	24% +/- (static)
Challenger 1	KCVs:	Range, fresh produce, store amenities, deals	Locations, fresh produce
	Weaknesses:	Board's focus overseas, Comp Commission	No compelling wow factor, poor PR
Challenger 2	Differential Adv:	Loyalty card scheme	—
	ID:	Going For It Ltd	Doing Well plc
Challenger 3	Market Share:	21%+ (growing)	16++ (growing)
	KCVs:	Range, non-food mix, clothing, amenities, value	Brand reputation, e-service, fresh produce
Follower 'Me Too'	Weaknesses:	Some tired stores, no town centre stores	Pulled out, now re-establishing
	Differential Adv:	US owner = greater resources, buying power	—
Fast Mover	ID:	Still Trying plc	New Kid on the Block (Merger)
	Market Share:	19% – (declining)	9%++ (growing)
Nicher	KCVs:	Store ambience, range, reputation, amenities	Many good locations, fresh produce, value
	Weaknesses:	Poor analysis & PR, limited non-food	Had lost its way, now catching up
Fast Mover	Differential Adv:	—	—
	ID:	New Kid on the Block (Merger)	Still Just About Here plc
Nicher	Market Share:	18%++ (growing)	9%+ (growing)
	KCVs:	Value, fresh produce	Value-for-money, brands stocked
Fast Mover	Weaknesses:	In-store amenities, no national coverage	Poor brand reputation, few strengths
	Differential Adv:	—	—
Nicher	ID:	Still Just About Here plc	Also Just Surviving Ltd
	Market Share:	5% – (declining)	7% +/- (static)
Fast Mover	KCVs:	Store ambience	—
	Weaknesses:	No brand strengths, no buying power	Mix of merchandise
Nicher	Differential Adv:	—	—
	ID:	SavaLot Ltd	SavaLot Ltd
Fast Mover	Market Share:	6%++ (rapid expansion)	6%++ (rapid expansion)
	KCVs:	Value-for-money, merchandise mix	Value-for-money, merchandise mix
Nicher	Weaknesses:	Low brand awareness, poor buying power	Low brand awareness, poor buying power
	Differential Adv:	—	—
Fast Mover	ID:	HyperLand plc (JV)	Deluxe Deli Ltd
	Market Share:	3%	2%+ (growing, SE only)
Nicher	KCVs:	Range, value, store amenities, one-stop	Service, staff attitude, opening hours, locations
	Weaknesses:	Few outlets, few scale benefits	Poor buying power, limited network, branding
Fast Mover	Differential Adv:	—	Upscale appeal and target marketing

One column of the proforma is completed for each market segment. A business should include itself within the columns. In this way, a management team may assess the business's relative performance across market segments and identify rivals making gains in more than one segment. In this context, the technique is of great value to the Board of a company and not only to marketing managers.

Marketing-oriented businesses repeat this analysis every few months, in order to reveal movements within the columns and to identify fast movers, new entrants or emerging substitute competition. The changing strengths and weaknesses of rivals also become apparent. If a business is not moving up the column – or 'league table' – it is likely that its marketing strategy and/or marketing programme are inappropriately specified. Remedial action should be taken.

The Competitive Positions

For reasons of commercial confidentiality, the identities of the cited retailers have been disguised.

The competitive positions proforma identifies:

- the key players and their relative positions
- current successes and probable reasons
- the KCVs (key customer values or needs) each rival is good at serving – rivals' customer-facing strengths that must be addressed
- any differential advantages (DAs) to fear – these must be combated
- the business's own standing, which should improve over time
- emerging and fast-moving rivals, including substitute solutions to customers' needs
- the evolving competitive set with which to do battle, and how!

The proforma, therefore, is a 'call to action' to a company's marketers. In addition, the technique acts as a diagnostic over time of a business's successes or failures in terms of its marketing strategy and programmes.

Note: The Dibb/Simkin Competitive Positions Proforma is copyright Sally Dibb and Lyndon Simkin. A more extensive explanation of this technique is offered in *The Market Segmentation Workbook* (Dibb and Simkin) and *The Marketing Planning Workbook* (Dibb, Simkin and Bradley), both originally published in 1996 by Thomson (London).