### 1. Know Your Competition

Did you know that [80% of companies](http://www.businessnewsdaily.com/4890-customer-engagement-tips.html) lack customer data to build effective marketing campaigns?

Most marketers know their customers’ purchasing patterns, which is certainly helpful to track. But you can use so much more information to continue refining your marketing plans.

By knowing your customers, you can [build a relationship](https://www.tidio.com/blog/customer-relationship/) between them and your company, extending the customer lifecycle beyond only a couple of purchases. Data can help you get to know your customers. For example, social activity often helps marketers uncover critical insights regarding the timing of purchases and related searches.

Using [online tools](https://baremetrics.com/features/smart-dashboards) such as Facebook’s [Audience Insights](https://www.facebook.com/business/insights/tools/audience-insights), your company can better understand what ultimately triggers your customers to purchase.

Now, this is important. Once you know your competition and start the race, look forward. Keep looking forward, always focused on providing a high-quality product and the best possible customer service. Don't spend all your time looking to the side at your competitor. If you're running the 100-meter dash in track and field, run looking ahead, with your eyes on the finish line, on your goal, always forward. You can't run looking to the side.

Many entrepreneurs try to do that: run a business while staring at their competitors. It doesn't work. You should look to the side every once in a while to see what your competition is doing, gather information, and learn from it. But focus on your business–on your vision, goals and objectives. Remember: Winners focus on winning. Losers focus on winners.

### 2. Know Your Customers

You need to know and understand your customers better than anyone else. Remember that all businesses start with a problem (See Part 2). Successful entrepreneurs identify a problem and create a solution that enough people will be willing and able to pay for it. But to identify that problem, you need to know your target market and your potential customers.

 Go out in the field, and ask them questions about their pain points and potential solutions. You can't do that at the office.

### 3. Create a Kick-Ass Product or Service

Your value proposition must surpass your competitor's value proposition. To compete effectively, your product or service must be of the highest quality possible. It should be so good that it sells itself, remember? [(See Part 2)](https://www.linkedin.com/pulse/marketing-your-product-service-what-who-how-when-where-cobian%3FtrackingId%3Dr3Wdk0qKTIe2iOeSJTLjpA%253D%253D/?trackingId=r3Wdk0qKTIe2iOeSJTLjpA%3D%3D&trk=article-ssr-frontend-pulse_little-text-block).

When Nike launches a new line of sneakers or Apple releases its new iPhone, consumers everywhere want it. They want it now, and they're willing to pay ridiculous prices for it. Yes, the companies' branding and marketing strategies are amazing, but the products wouldn't be as coveted and expensive if the quality wasn't there.

### 4. Be Different and Stay Different

To beat the competition, you have to be different from the competition. If you do the same thing your competitors are doing, you'll have to battle it out in pricing wars, and you don't want that (more on it later).

Let's look at Apple again. Apple computers are significantly different from PCs, and that uniqueness has enabled the brand to develop its own market and maintain its leadership for many years.

When I started producing events 25 years ago, every club had $1 drinks and a band, same thing everywhere. We wanted to be different, so instead of cheap drinks and a band, our business offered memorable experiences. Our drinks started at $2, and instead of a band we had a DJ and spectacular decorations and video screens. Though they cost a bit more, our events filled up every time because we provided a different, higher-quality experience.

### 5. Offer the Best Customer Service

Competition can be tough, but if you show them (not just tell them) that you truly care about their problems and their experience with your brand, product/service, then you'll be able to build a healthy business relationship that can stand the test of time and the many challenges you will face together.

The quality of your customer service should be so high and impressive that customers don't mind paying a bit more for your product or service. The extra cost is worth their peace of mind, which is priceless to them.

**6. Keep Innovating**

. As pointed out earlier, your new and old markets also benefit from innovation.

By constantly innovating, your team will stay focused on the goal while keeping your customers interested in your company.

Older companies are great sources of innovation leadership. How have they managed to keep up with the times? What company policies allow them to continue to innovate and change while functioning well for their customer base?

These questions will help you see the logic of innovation, even when it seems out of reach.

### 7. Price Your Products and Services Wisely

To attract and retain customers and still turn a profit, your prices can't be too high nor too low.

Coming up with the right price for your products or services is a critical aspect of your business strategy because prices directly impact your sales and profitability. Prices also influence your customers' perception of the value of your products and services.

There are several ways to approach pricing.

 A. Cost-Based Pricing

 Cost-based pricing involves calculating the cost of producing a product or service and adding a markup to generate a profit. The markup varies depending on the industry and the product. Here are some examples:

* Retail: 50% to100%
* Wholesale: 20% and 50%
* Food service: 30% to 50%
* Electronics: 15% to 100%

B. Value-Based Pricing

Value-based pricing works by setting a price based on the sense value of your product or service. Instead of focusing on cost, this approach focuses on the benefits that customers obtain from the product/service and what they're willing to pay for it. Fashion designers and comfort cars makers often use value-based pricing to set premium prices based on brand prestige.

C. Competitive-Based Pricing

In competitive-based pricing, you set prices based on your competitors' prices. What you should is, by researching and analyzing the prices of similar products or services offered by your competitors and then setting your prices slightly above, slightly below or equal to those prices.

This approach can lead to price wars, which erode profit margin and make it difficult for companies to differentiate themselves from each other. That means you need to watch your profit margin when using this approach.

### 8. Add Value to Your Transactions

Sometimes, instead of lowering your prices, you should add value to the transactions customers have with your company. For example, at my digital marketing agency we offer social media training to our clients' employees as a value added. We could charge for it, but we don't because we want this to be an extra value or benefit our clients receive just for being our clients.

### 9. Offer Discounts, Sometimes

It's good and productive to offer discounts from time to time, maybe as a seasonal tactic during the holidays, for a special event or as a way to move inventory, but not all the time. In pricing wars, no one wins. As a matter of fact, everyone loses.

For example, in the event business, we wanted our night clubs to trend before the summer so that once the vacationers arrived, they would hear about our clubs via word of mouth. To accomplish that, we held special events, lowered our profit margin slightly to offer discounts and boost traffic, develop momentum and gain popularity. When high season came, our clubs were the place to be.

**10. Highlight Your Difference**

You can use your differences to learn how to handle competition in business.

After completing market research, understand what makes you different from the competition. Do you have more ethical sourcing for products? Or, maybe your prices are cheaper. Perhaps you have an angle to your company’s story that could push you above the competition.

In the case of [IKEA’s 2011 catalog](https://econsultancy.com/blog/65698-six-brand-case-studies-that-proved-the-value-of-storytelling), IKEA knew they had the resources to do something extra special with their publication. While IKEA’s print catalog had more competition, the company decided that simply moving to a digital platform was insufficient.

So, they used their marketing resources to create an augmented reality version. Just by understanding what they could do differently, IKEA’s design overhaul doubled the time customers spent browsing the catalog.

### 11. Innovate. Always.

If you want to compete and not fall into the price-war trap, then you have to innovate. Bring fresh ideas and implement them. If you have a restaurant, don't stick to the same menu forever. Change it from time to time, create a new signature drink, etc. Keep innovating so that you can maintain a relevant value proposition and beat the competition.

### 12. Stay Up to Date

Keep your eyes and ears on what's happening in the market, what's trending and what's going out of style. And be open to change. Adapt. Many companies make the grave (often fatal) mistake of assuming that just because they've done something a certain way for however long, they should keep doing it that way. Wrong. If you have a successful retail store, but you don't engage in ecommerce, chances are you'll lose your store.

We're living during the Fourth Industrial Revolution, the Tech Age. And this is unlike any other industrial revolution. High tech has disrupted everything. Everything has changed. Everything is changing. And everything will keep changing.

Times change. And if you don't change with the times, they'll run you over. Next thing you know, you're out of time.

### Final Thoughts

So, there you have it: know your competition (but keep your eyes on the prize, not on your competitors), understand your customers, and offer outstanding products and services. Strive to differentiate yourself from the competition. Be smart about prices and discounts. Innovate like there's no tomorrow, and keep up with tomorrow. It's kick-ass time.