



5 WAYS INTELLIGENT RETAILERS OUTSMART THEIR COMPETITORS

INTRODUCTION

Intelligent online retailers consistently apply and manage a few key business principles very well within their retail business therefore maximising every opportunity to gain and sustain competitive advantage.

Find out what these principles are and how they can be applied within your online retail business to aid smarter decision making and most importantly, facilitate timely action, ensuring you maximise every opportunity to stay ahead of the competition.

SHOW ME HOW

LET'S GET STARTED! INTELLIGENT ONLINE RETAILERS



1. UNDERSTAND THEIR CUSTOMERS

GETTING TO KNOW YOUR CUSTOMER IS NOT AS SIMPLE AS IT SOUNDS BUT NONETHELESS CRUCIAL IN SUSTAINING A LONG AND PROFITABLE CUSTOMER LIFECYCLE.



BUILD TRUST AND LOYALTY

As today's online consumer becomes less trusting and more demanding, online retailers must have a clearer, deeper understanding of actual customer needs especially when this knowledge could be the difference between attracting loyal, profitable customers who become proactive advocates or disengaged detractors. Understanding your customer is not just about having more information, but having the right information that positively impacts the customer life cycle and bottom line.

THE BUYER PERSONA

Buyer personas provide a clearer customer profile and more specifically, the practical elements that drive their decision making process.

Customer attitudes and priorities change consistently and intelligent retailers spot these changes early and adjust their strategies accordingly. Put yourself in the customer's shoes, look at the available options to meet their needs then assess the ability of your online retail business to meet those needs.

CREATE MY BUYER PERSONA

QUESTIONS

- ◉ What is the profile of your "ideal" customer?
- ◉ How much would it cost to acquire your "ideal" customer?
- ◉ What drivers influence your customer's buying decisions? Are they based on financial, personal, seasonal or impulsive reasons?

ACTIONS

- ◉ **Encourage ongoing feedback** – Talk to your customers and find out what's working and what's not. Would they recommend your business and buy from you again?
- ◉ **Create buyer persona(s)** – To really know your customer, you need to know who they are and understand what influences and drives them to purchase the products you sell.
- ◉ **Develop a communications program** – Think about how and when you engage your customers. Understand their purchase triggers and communicate messages that resonate.

2. SET S.M.A.R.T. GOALS

HAVING CLEAR GOALS IS BEST PRACTICE FOR ANY BUSINESS AND ABSOLUTELY CRUCIAL FOR ONLINE RETAILERS.



BE SPECIFIC

Just as important is ensuring that any strategies executed within your business to achieve set goals are defined to a specific outcome and measurable. If you're looking to be cheaper than the competition, then set a percentage target and success timeframe. This could be to remain 10% cheaper than your competitors for a specific product for the next 12 months.

BE REALISTIC

It is important to make sure that these goals are actually attainable. Assess the tactical options through which the set goals can be achieved against available resource. To be 10% cheaper than competitors over 12 month period requires automated, accurate and timely competitor monitoring.

SET TIME LIMITS

Understanding the real business impact of these goals being achieved is a good indicator of how relevant the goals are. Why are achieving these goals important to your retail business? Understanding why these goals are relevant and setting a timeframe for the goal to be achieved keeps the business motivated and accountable.

(CREATE MY S.M.A.R.T GOALS)

QUESTIONS

- ⦿ How do you plan to maximise sales volumes and margins?
- ⦿ How do you plan to leverage omni-channel opportunities?
- ⦿ What metrics do you use to measure goal achievements?

ACTIONS

- ⦿ **Set milestones** – Set targets to be reviewed within a specific timeframe. These should be based on key business strategies to remain competitive.
- ⦿ **Understand your business capabilities** – Consider a timely review of internal capabilities to deliver on your strategic priorities within a set timeframe. This could be daily, weekly, monthly or quarterly.
- ⦿ **Monitor your competition** – Be proactive by familiarising yourself with their products, prices, stock availability and anything else that could be a threat to your business.

3. UNDERSTAND THEIR COSTS

IT'S ONE THING TO UNDERSTAND YOUR COSTS, BUT MONITORING AND MANAGING THESE COSTS AGAINST THE BOTTOM LINE IS WHAT INTELLIGENT RETAILERS EXCEL AT.



They constantly review business functions, resources and products, ensuring they deliver real value to the business. Some functions are better managed externally and others are automated for maximum efficiency.

BE VIGILANT

The need for every online retailer to fully understand their competitive landscape cannot be overstated. The competitive nature of online commerce dictates that retailers make timely decisions based on accurate and timely intelligence about their competitors from pricing, products and promotions to stock availability, brands and reviews to aid smarter decision making.

The ability for a fully managed automated intelligence system to monitor your online competitors around the clock, providing daily updates on any changes is a function that is less accurate, less efficient and more complex to manage when done manually.

QUESTIONS

- ◉ What costs could be better managed within your business?
- ◉ What business functions could be internally automated?
- ◉ What business functions could be managed by specialists/experts?

ACTION

- ◉ **Embrace more technology** – Use technology to automate key business functions. There are many solutions that provide cheaper, faster and better alternatives.
- ◉ **Question all costs** – Understand why these costs are incurred. What is the ROI on these costs to the bottom line?
- ◉ **Audit stock assortment** – Monitor your products and qualify their contribution to your bottom line. Are they profitable? Do they need to be replaced? Are they competitively priced?

4. UNDERSTAND CUSTOMER VALUE

THE IDEA OF VALUE IS SUBJECTIVE AND BASED AROUND CUSTOMER INTERPRETATION OF MARKETING MESSAGES, VALUE PLACED ON THE BRAND COMMUNICATING AND THE OPTIONS AVAILABLE TO SOURCE THIS PRODUCT.



This inevitably impacts the value the customer will place on price which is a key driver of perceived value.

PERCEIVED VALUE

What are customer perceptions of your online retail store and products? Some may perceive your store to be the cheapest in a specific product category and extend this perception to other product categories on your website which could have a positive effect on customer loyalty, sales and profits if you are targeting this buyer persona. This positioning may alienate other customers whose perceived value may not be solely driven by price but also by brand, and quality. This buyer may consider your overall website prices as 'cheap' and associate this to a lack of quality which is where they place value.

BE MORE SOCIAL

This all goes back to "Knowing your Customer" and using data that provides actionable intelligence around their website activity and purchase history. Social media should be an integral element of any customer insight and engagement initiative where retailers build more personal relationships with customers. Use historical data from past customer purchases to better understand trends and cycles to identify customers you need to focus on, when you need to intensify this focus and how you need to engage them.

QUESTIONS

- How do you offer value to your customers?
- How does your business stand out from the competition?
- What key messages are you communicating to your customers?
- How do you measure the effectiveness of your marketing messages?

ACTION

- **Make no assumptions** – Just because a strategy or tactic worked in the past doesn't always mean it will work again. Be proactive, and most importantly, take action.
- **Explore customer life triggers** – Understand and take action on life triggers that impact customer spend. This includes becoming a first time homeowner or parent.
- **Think big business** – Research what big retailers do to deliver customer value and try to implement some ideas at a smaller level. Test, monitor, adjust, re-test.

5. KNOW THEIR COMPETITION

MOST ONLINE RETAILERS MAKE A STRONG CASE AS TO WHY EVERY WEBSITE SELLING THE SAME PRODUCTS ARE “THE COMPETITION”.



With limited resource, take a minute and reflect on how you arrived at this conclusion. How have you classified these “competitor” websites and the level of threat they present to your business?

YOUR “REAL” COMPETITORS

Have you identified those businesses that you class as “REAL” competition? Do you know what you would need to monitor to outsmart your competitors? This really depends on your business goals. If you’re positioning your business to be the cheapest then around the clock intelligence on competitor websites that also retail the same products as you, at the same price is vital. You would want to understand price changes, promotions and even stock availability so you can capitalise of opportunities as soon as they present themselves.

GET DETAILED

If you’re looking to position yourself as a retailer of premium brands then you may want to understand and monitor other retailers who retail the same or similar brands. Consider monitoring other purchase decision influencers such as product reviews. This insight could aid business decisions to stock certain product or discontinue others. You may also want to monitor competitor promotions that could be taking business away from your website.

QUESTIONS

- ⦿ What is your “REAL” competitor profile?
- ⦿ What actionable insights are you gathering about your competitors?
- ⦿ What competitor trends do you think you should be monitoring?

ACTION

- ⦿ **Test, monitor, adjust, re-test** - Test your prices, your graphics, Call to action (CTA), Product titles, Product descriptions and more where possible.
- ⦿ **Stay Focused** – It’s easy to get distracted while trying to stay ahead of the competition so only monitor competitor activity that is most impactful to your business.
- ⦿ **Work Smart** – Automate your Competitor Monitor activity. It’s far more efficient and effective to receive tailored reports and recommendations daily than doing it yourself.

WHAT'S NEXT?

MOVE SMART, MOVE FIRST

By using a fully customizable and automated intuitive monitoring platform to Competitor Monitor, intelligent retailers are taking SMART action on

- ◉ **Daily Changes** – Intelligent online retailers are making smarter decisions around market changes and their product assortment performance compared to their competition.
- ◉ **Customised Price Comparison Reports** – Intelligent online retailers receive actionable intelligence on the cheapest and most expensive products on the market, out of stock and delisted products while implementing recommendations from automated audits on individual products compared to the cheapest competitor match or alternative.
- ◉ **Price Changes** – Intelligent online retailers have full visibility on any product price changes from target competitors including change amounts by value and percentage. Intelligent online retailers use this to spot opportunities to increase margin.
- ◉ **Unique Triggers** – Intelligent online retailers set unique triggers and are informed when a competitor reduces product prices below a pre-set percentage within a specific product category or across their full assortment. This could indicate competitor strategy to begin their seasonal sales or discounting initiatives, providing intelligent retailers with actionable information.
- ◉ **Historical Trends** – Intelligent online retailers use historical trends to adjust prices at notable periods, run certain promotional incentives to capitalise on a forecasted opportunity or even drop a whole product line altogether and maybe consider new products that may help achieve their objectives. This could be increasing sales volume, higher margins or both.
- ◉ **Scenario Plans** – Intelligent online retailers receive actionable insights that complement their business scenario planning. This could be looking at trends to see how competitors have priced based on seasonalities, new product launches or even end of line stock.
- ◉ **Smart Recommendations** – Intelligent online retailers receive recommendations based on set goals. Some retailers aim to offer the most competitive prices and receive custom recommendations on products that could be reduced to be the cheapest. Others may want to be 10% cheaper than their closest competitors at all times and receive recommendations on how and where to increase prices while being most competitive.

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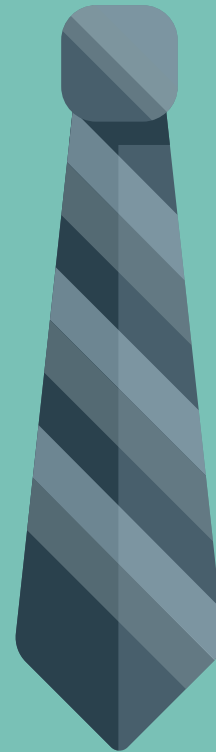
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“SEE HOW OUR INTUITIVE
COMPETITOR MONITOR PLATFORM
TURNS COMPLEX COMPETITOR
INTELLIGENCE INTO SUSTAINABLE
COMPETITIVE ADVANTAGE. “



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ABOUT COMPETITOR MONITOR


Competitor Monitor provides actionable data for intelligent retailers across the globe to outsmart their competitors using our intuitive software platform.

With Competitor Monitor, retailers track their competitor prices, products, promotions, reviews, stock availability, receiving timely alerts around the clock.

We provide intelligent retailers with actionable recommendations, allowing them to take the right action, maximising margins, boost sales and expand their offerings.



TAKE YOUR FIRST STEP TO OUTSMART
THE MARKET, CONTACT US TODAY

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