

## CFAM1.1.3

### Identify and monitor competitors' marketing strategies and activities



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#### Overview

This is about monitoring key competitors' marketing activities and evaluating their potential implications for an organisation's products/services. It includes assessing the corresponding opportunities and threats, and recommending appropriate actions across the marketing mix to develop and/or protect an organisation's products/services.

This unit is recommended for first line and middle marketing managers involved in reviewing the marketing strategies of competitors. Such managers might be employed directly by the organisation assessing its competition, or work for an agency/consultancy undertaking this on behalf of a client.

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#### Performance criteria

- You must be able to:*
- P1 identify those organisations competing for the same customers and who are therefore market competitors
  - P2 gather information regarding competitors and assess their relative strengths and weaknesses
  - P3 analyse competitor information to determine potential opportunities and threats to the organisation arising from competitor activities
  - P4 determine competitors' objectives, assessing the relative importance to each competitor of current profitability, cash flow, market share growth, technological and service leadership
  - P5 identify and group competitors according to their strategies, based upon an assessment of competitor activities and policies
  - P6 assess likely reactions by competitors to marketing initiatives by the organisation
  - P7 make recommendations regarding the relative importance of particular competitors, supported by a reasoned analysis of their strategies and activities
  - P8 present your recommendations to relevant colleagues promptly and clearly

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#### Knowledge and understanding

*You need to know and understand:*

##### **General knowledge and understanding**

- K1 how to differentiate between competitors identified due to their being within the same industry, and those identified from their targeting the same customer groups and similar needs, and the relative advantages and disadvantages of each approach
- K2 the dimensions to consider when grouping competitors according to their strategies, including competitor's product/service quality, features, marketing mix, pricing policy, distribution coverage and channels, sales force strategy, and marketing communications activities
- K3 the variety of sources and methods for collecting information regarding competitors, including primary research, secondary data and experiences from customer/supplier facing teams
- K4 the importance of competitor information in informing marketing strategy and planning
- K5 the role of benchmarking when comparing organisations' products/services and processes
- K6 the importance of checking the validity of information and of differentiating between objective and subjective data
- K7 legal and ethical requirements regarding the collection, storage and use of data

*You need to know and understand:*

##### **Industry/sector specific knowledge and understanding**

- K8 marketing developments in the organisation's sector, relevant to assessing the strengths and weaknesses of competitor strategies

*You need to know and understand:*

##### **Context specific knowledge and understanding**

- K9 the organisation's marketing strategy, and its relevant products/services
- K10 competitor organisations and their marketing strategies, and relevant products/services
- K11 the relative strengths and weaknesses of the organisation's principal competitors
- K12 the organisation's existing and potential customers, their needs and buying patterns relating to the organisation's products/services

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#### Additional Information

##### Behaviours

1. You identify sources of competitor information to meet current foreseeable requirements
2. You make best use of existing sources of information
3. You check the validity and reliability of information
4. You make information regarding competitors available promptly to those who need it
5. You present information clearly, concisely and accurately
6. You articulate the assumptions made, and any risks involved, in understanding competitors' strategies and activities

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