

In today's disruptive economy, defined industry borders are becoming blurred; they seem to be competitors in addressing customer concerns.

Businesses face even more competing forces than were traditionally perceived.

Who are the competitors of a bank, for instance?

Certainly not only other banks – Apple, Alibaba and Google also qualify. Apple Pay and others are a nightmare for banks especially in the credit card business. Alibaba is the largest seller of financial products in China. Google Pay is another example. The list is longer if you consider cryptocurrencies and fintech offerings.

The story is no different in other businesses.

Who is the single largest seller of music? Apple! What business is Amazon in – online retail? Wrong. It is into many things including TV streaming and cloud computing, giving Microsoft and IBM the blues. Who would have thought Microsoft would lose revenue to Amazon? Google missed a golden opportunity in the cloud business, which it could have led years ago.

It is easy to assume that rivals are confined to those in the same industry or even to posit that there are none in one's niche. Think again. There are direct and indirect alternatives for consumers today.

Here's a case in point...

A woman wants to buy a gift for her husband on their 25th anniversary. While considering a Rolex watch, they visit a jewellery store. But he may prefer a moving work of art or memorable cruise.

Herein lies a situational prospect: the shopper isn't necessarily in the market to

INGIMAGE®



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WHO IS YOUR COMPETITION?

Dr. Muneer Muhamed recognises that customer concerns are consumer desires

buy a luxury watch; she is seeking a suitable gift for her spouse. So the store into which the prospect first walks must carefully determine what the customer really wants. The prospect must be convinced that the shop's option is the best possible choice. No business should assume that the prospect is solely in the market for its offerings.

This calls for finesse. Such a prospect won't initially request specific info on art or spectacular cruises. Unless the representative probes beyond the obvious, the sale may be lost to a jeweller. If the jeweller does win and sells a Rs. 600,000 watch, the couple may need to decide between adding a jewellery endorsement to their home insurance, buying a safe or installing an electronic surveillance system.

In the case of a less fortunate spouse who's just been dumped for someone younger, he or she may ponder slimming clinics, cosmetic dentistry or psychotherapy to recapture his or her self-esteem. These alternatives represent situational rivals demanding excellent point of contact skills to maximise the healing opportunity.

Even in business services such as consulting, there are perceived alternatives.

Although the pluses and minuses vary, the prospect may perceive each alternative as being equally viable. These might include creating a specialised staff position, subscribing to a technical database or enrolling in advanced classes. The prospect is ultimately in need of knowledge – and therefore, the consultant must convince the client that the company's knowledge package is the most cost-efficient.

In the personal investment category, an individual may ask a stockbroker for hot picks but simultaneously be researching real estate, commodities or other new opportunities such as futures and options. The stockbroker must quell the instinct to appear up-to-the-minute market savvy and first learn about the prospect's financial objectives.

Similarly, daycare centres compete with nannies, and weight loss programmes go head-to-head with gyms and home fitness equipment. Restless kids who spend a week in grandma's home may be whisked off to the beach, an amusement park or a toy store.

Among the lower ticket products and services, advertising must target the situational market. An example is the calorie binge for salad

weary post-holiday dieters. An ice cream parlour may be competing with a cake shop and candy store. Ads can target this market by offering a special time-out splurge coupon.

Consider a cinema, which represents many things: a weekend babysitter, first date venue and place to crash after work. Each of these needs suggests many indirect competitors – video game arcades, billiard pubs and Netflix.

Obviously, it pays to research – even informally. Never assume that everyone who contacts you will shop only at your direct competitors. Even loyal customers have situational options. Sales evangelists remind us that we must emphasise what we do and not what it is.

When we learn about customer circumstances, market segments can be identified and offerings made more relevant. It comes down to the classic marketing question: what business are we really in?

Companies that carefully analyse this find they're not in a particular industry but an arena where they try to connect customer issues with possible solutions that don't belong to a specific industry.



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