

Using Radar to Find Competitive Advantage

A slow strangling takes place in maturing markets whereby products and services inevitably become commodities with little or no obvious opportunity for differentiation. When you're in this situation, it's difficult to know where to look, and even harder to look outside of the company when the forces of darkness suggest further price promotions.

There is a simple tool to help get the process started.

Thanks to the crossover of military concepts into the mainstream, we have radar screens in everything from wartime maneuvers to social interactions to business-planning sessions. A simple graphic tells us where offensive and defensive parties are, how close we are to coming under attack, and where we might find a breakout idea or two.

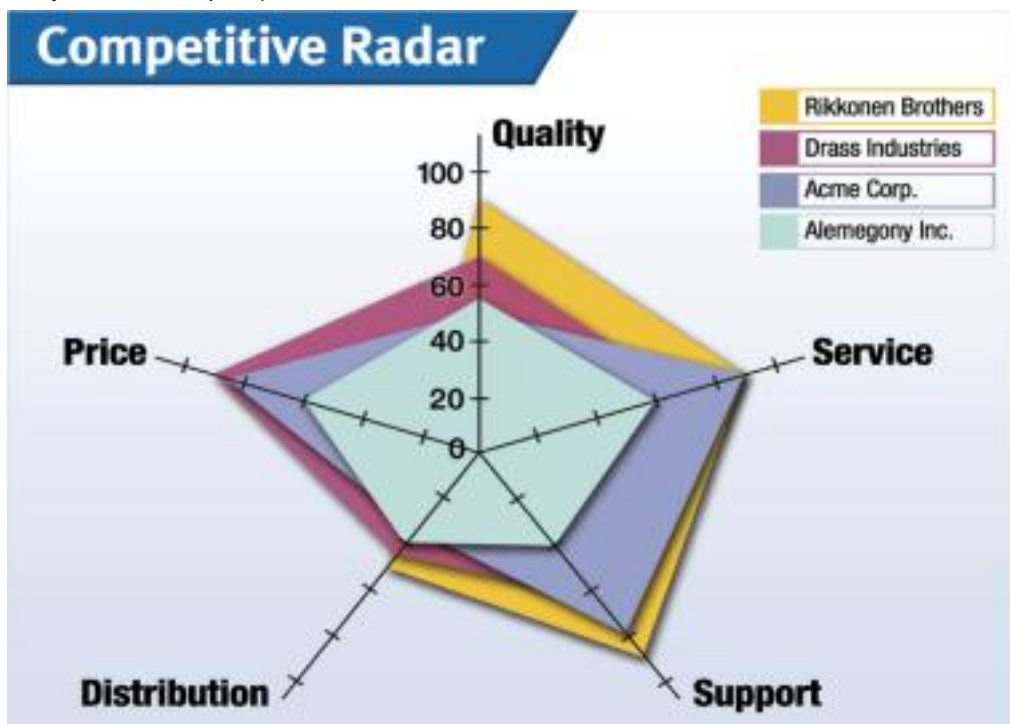
Consider this example: Four industrial-cleaner manufacturers appear on a single radar screen.

Acme Corp. seeks to increase profitability in this stagnant market and surveys its end users about its performance compared to that of three of its competitors. Each company is rated on five known drivers of category profitability: quality, service, support, distribution, and price.

	Quality	Service	Support	Distribution	Price
Acme Corp.	50	90	80	35	85
Drass Industries	70	70	70	45	90
Rikkonen Brothers	90	90	90	50	20
Alemegony Inc.	55	60	40	40	60

When the numbers come in, Acme's crack marketing team tallies the figures for each company, then finds the average score for each company on each driver. Those means appear in the table shown above.

Next, a few keystrokes through standard chart types in Excel produce a radar template into which the scores are plotted, expressing each company's value to the end user (limited, of course, by the choice of only five drivers; the analysis will accommodate any number of drivers, although it gets difficult to read beyond a certain point).



Acme's marketing team sits back for a moment, revels in the simple but effective tool it's used to identify opportunities for improvement and differentiation, and notes its strengths (pricing and customer support) and weaknesses (perceived quality). But the team also is drawn to the white space on the radar screen and notices that all manufacturers, Acme included, have fallen down on distribution.

Perhaps customers want more outlets at which to purchase cleaning products. Or maybe better online buying options. And here is where this simple tool blossoms into great significance, for in distribution, Acme can really outshine its competitors, all of which are seen by product purchasers as neglecting the supply outlets with distribution of industrial cleaners. A few focus groups may help Acme define the opportunity further and plan to exploit it more fully.

Comparative radars show relative strengths and weaknesses. The absolute values or means uncovered in industry research and plotted on the radar also show white space beyond current values — the room in which each company has the potential to improve. These screens reveal where competitive strength is clustered and where individual companies can differentiate themselves in the thick of the competition. They are also a great tool for plotting an entry into a new market with established competition.

For a working sample of a radar chart, [click here](#).

