

# Seven Strategies for Stomping Your Competition

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*Rule One: "It's better to be a good copycat than a great inventor" – unknown inventor*

- ⌘ It's usually better to be second out-of-the-gate than first.
- ⌘ Watch and study the competition and watch and study them some more.
- ⌘ Know what the marketplace can absorb.

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## Become a Copycat NOT an Inventor

- ⌘ Clone the competitions' Star Programs and make them slightly different.
  - ☒ Change title.
  - ☒ Make it brand new.
  - ☒ Make it improved (more stuff, more high tech, more length, more better instructors, MORE SOMETHING!).
  - ☒ Price it differently.
- ⌘ Clone the competitions' Cash Cow Programs if there is PLENTY of room in the market.

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## Look Beyond Your Backyard

- ⌘ Establish a benchmark group of non-competing programs and study them.
- ⌘ Create a relationship with your benchmark group(s)
- ⌘ Clone the best of the benchmark group AND don't tweak.

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## Some Key Marketplace Issues

- ⌘ Overall size and concentration?
- ⌘ How much does the competition control?
- ⌘ What's the loyalty of the market?
- ⌘ Does the competition do anything to induce loyalty?
- ⌘ What's the role of price?
- ⌘ Can a big enough piece of the market be captured to make your effort profitable?

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**REMEMBER...**

***It's better to be a good copycat than a great inventor.***

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## *Rule Two: Protect Your Best Customers at All Costs!*

- ☒ You aren't the only smart one out there.
- ☒ 20-25% of your customers give you 80% of your Operating Margin.
- ☒ To protect them, you have to know who they are.
- ☒ Segment the market.
- ☒ Once you know who they are:
  - ☒ Focus most on your best customers.

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## Focus on Best Customers

- ☒ Survey them continuously.
- ☒ Promote specifically to them.
- ☒ Program specifically to them.
- ☒ Hold special events just for them.
- ☒ Create loyalty-building efforts.
- ☒ Cajole, pamper and coddle them.
- ☒ **PROTECT THEM!!!!**
- ☒ Remember, you aren't the only smart one out there.

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## *Rule Three: Price to Win*

- ⌘ Price above your competition and play the "high end, high quality" game.
- ⌘ **BEWARE:** They can't know how you are different and better unless you tell them six ways to Sunday.
- ⌘ Don't be afraid to compare and contrast what you offer to what the competition offers.
- ⌘ **SURPRISE:** Often a higher price brings new people to the market.

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## Price to Win

- ⌘ **Price the same** as the competition and rely on other factors to differentiate your program.
  - ☒ Time, title, content, materials, location, instructors
  - ☒ You must tell your customers and prospects exactly how you are different and why those differences are good for them.

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## Price to Win

- ⌘ **Price just below** the competition.
  - ⌘ Stress same value at a lower price
- or
- ⌘ Good value, no frills, lower price.
  - ⌘ **BEWARE:** Live by price, die by price!

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## *Rule Four: Play the LifeTime Value Game*

- ⌘ It's six to seven times more costly to get a new customer than to retain a current customer.
- ⌘ Retaining a customer and selling frequently to them over a sustained period of time yields an **exponential value** to your bottom line.
- ⌘ **AND**, it makes your life easier!

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## LifeTime Value

$$\frac{1}{(1-\text{repeat rate})} \times \text{average activity fee}$$

$$\frac{1}{(1-.66)} \times \$100 = \$303.30$$

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## Increase LifeTime Value

$$\text{⌘ } 1/(1-.75) \times \$100 = \$400$$

- ⌘ A 9% increase in your retention rate yields nearly 25% in added value per customer.

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## Increase LifeTime Value

$$\text{⌘ } 1/(1-.75) \times \$150 = \$600$$

- ⌘ A \$50 increase in the revenue yield per customer in a given year yields \$200 in added lifetime value of each customer.

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## LifeTime Value Game

- ⌘ Make improved retention AND improved frequency the highest priority.
- ⌘ Create courses & for current customers.
- ⌘ Practice stair-step programming.

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## *Rule Five: Play Your Cards Close to the Vest*

- ⌘ Be careful ...
  - ☒ What you say and where.
  - ☒ How you handle phone inquiries.
  - ☒ What numbers you reveal anywhere.
  - ☒ What you say in print.
- ⌘ A little paranoia is very good business in our profession!

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## *Rule Six: Out Promote Them!!!*

- ⌘ Mail more often, focused on your best customers.
- ⌘ Provide better and more detailed promotions.
- ⌘ Always, always focus on "WIFM."
- ⌘ Integrate other contact portals "just for them."
- ⌘ Deepen your "pitch" by providing more information on your website.
- ⌘ Learn from the pros: get a 20-25% boost by guaranteeing your programs!

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*Rule Seven: Let them know how you are better!*

- ⌘ Remember: They can't know if you don't tell them.
- ⌘ Your job is to educate your prospects and customers about **your advantages** NOT to inform them about your programs.
- ⌘ Compare, contrast, juxtapose.
- ⌘ Prove it with a good guarantee!

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*Rule Eight: Know Them as Well as You Know Yourself*

- ⌘ Stomping the competition has to be a priority.
- ⌘ You must watch your competition.
- ⌘ Staff time must be put to it.
- ⌘ Vigilance in studying the competition AND protecting your best customers are the keys.

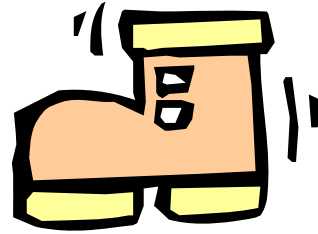
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Tactics for Knowing Your Competition

- ⌘ Be a customer and call.
- ⌘ Be a customer and go.
- ⌘ Get on their mailing lists.
- ⌘ Visit their website often.
- ⌘ Be a part of their web discussions.
- ⌘ Analyze their offerings.
- ⌘ Analyze their promotions.
- ⌘ Analyze their market share and project their numbers.
- ⌘ Do whatever it takes to know them like you know yourself!

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Now Go STOMP!



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