

How do market leaders compete?

Author: Nyasha Ziwewe . May 2020

In today's world, there is a rise in both, the number of products and the number of competitors in the market. Naturally everyone wants to be ahead of the competition. But is everyone successful? Definitely not. Any market will have one single market leader and not several market leaders. So what is it that market leaders do correctly to ward off their competitors? We look at some strategies which are common for every market leader.

Covering the market globally and locally

Look at companies like Coca Cola, Microsoft, LG and others which are market leaders in their respective categories. You will find that each one of these companies have products which are widespread and are known across the world. However, the marketing strategy of each one of these products is customized according to the market that they are serving.

Thus if you have a business which has numerous competitors, it is important that you look at market expansion along with localization. Do not stay back from the global market, but more importantly, while serving the global market, do not forget your home ground. The simple supporting statistic for this statement is that each and every developing country, after exploring the global markets, is now looking at their own rural markets which will provide the maximum growth opportunities.

They expand smartly

Expanding just for the sake of growth can become disastrous. All strategists know that keeping an eye on the cash flow of the business is the most important thing for the growth of the organization. If your working capital is being used for expansion, this will affect even the business units which are actually showing growth thereby causing you to cut back on essential plans.

They control marketing costs

There is one basic equation for profits. $\text{Income} - \text{Expenses} = \text{profit}$. Thus if you cut down your costs, your expenses automatically come down thereby increasing the overall profit. The important thing here is to know what are the major components in your costing.

Implement good marketing plans

The crux of beating your competitors is to have your own unique position in the mind of the consumers. This position should be highly attractive and profitable. Only then you will gain advantages over time. There needs to be a proper implementation of marketing plans. What should be the message of the

company? How to change the message over time to bring more and more customers to your brand? How to alter the marketing so as to expand and gain more market share? What should be the vehicles of marketing communications? How and in which order does the plan need to be implemented? These are some questions which your marketing plan should answer thoroughly.

They hire the right people and retain them

In the services industry, you are as good as the talent you have on board. Many software companies keep a part of their margin aside so that they don't have to lose software engineers when one project is complete. These engineers are transferred to another project when the work is complete. A customer service manager would never like to lose their best employee. A CEO will never like to lose his best performing managers. Any company would not like to let go of efficient employees. Your employees and stakeholders are your assets.

They focus on their customers

Several companies, while making profits, forget that the prime reason they are still working is because the customers like their products. The day a company forgets this principal, it is bound to fail. And hence, you need to be the best in this area. Know your customers in and out. Do regular market studies and consumer buying behavior analysis to determine the mindset of the customer. A new technology which was being underestimated by you, but has been implemented by a competitor, can attract your customers' attention and take away even your most loyal customers.

Stay Informed

One of the basics of selling against competition is to know your competitors. Consider the consumer durables segment. You need to know your competitors and their product lines to launch product variants of your own. On the other hand, you need to know all the products of all your competitors to launch a product which is unique in the market and has the first mover advantage. Thus information is important.

Your competitor might be smarter and might have implemented a completely new product with altogether different features. Now your product completely fails in the market!!! This is why information and its dissemination is crucial to beat your competitors.

Nyasha D Ziwewe is a Business Consultant and Systems developer at Industrial Psychology Consultants. Email: nyasha@ipcconsultants.com. Mobile 0783462251. LinkedIn: [Nyasha D Ziwewe](#).

<https://thehumancapitalhub.com/articles/How-Do-Market-Leaders-Compete>