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## How Competitive Analysis Improves Your Media Buying



Photo Credit: "Chess Board BW" / Toby Fruge / CC BY 2.0 (Cropped)

Advertisements bombard consumers constantly... including ads from your competitors. To create an effective [media buying](#) strategy, your company needs to know about the other messages that your audience is receiving and to develop an approach to win over the consumer, whether that means standing out from the crowd or going head-to-head against the competition.

Capitol Media Solutions regularly conducts competitive analyses as part of its media planning and buying process. Here's how it works.

### 1. We identify our client's competitors.

Clients are usually familiar with which companies they should be keeping an eye on. However, it's easy to focus on one or two competitors and to overlook others that can pose a challenge, such as:

- **Emerging businesses** that are gaining industry share. Smaller companies that win big deals can grow quickly into competitive threats.
- **Indirect competitors** that provide alternative services or products. As an example, furniture companies compete with other furniture companies, and they also face competition from furniture rental businesses.
- **Large companies** that have created new divisions that compete with the client.

Knowing the competition is the first step. Understanding the competition comes next.

### 2. We analyze competitor media planning and buying.

Capitol Media Solutions uses industry-leading analytics tools to collect data about the competitive environment. We learn where your competition is spending its advertising dollars and in what types of media, like [print media buying](#), [outdoor media buying](#), and [digital media buying](#).

We can actually go beyond the media type to identify the geographic markets that competitors have selected and whether their advertisements are playing nationally, regionally, or in specific locations.

### 3. We recommend how to manage competitive media buying.

There are a variety of strategies that a company can use to handle competitive advertising. Let's start with an example using a made-up client: Chessboards, Inc. Assume that Chessboard has three main competitors: The King & Queen Company; Checkmate, LLC; and Games4You. Our analysis finds that these competitors are buying media at amounts of \$20 million, \$15 million and \$5 million, respectively.

Chessboards' planned budget? **\$3 million.**

Obviously, this is significantly less than what these other companies are doing. Hopefully, Chessboards can increase its spend to match the rest of the industry. However, budgets aren't always flexible.

#### One option is "going where the competition isn't."

In *The Art of War*, Sun Tzu writes, "You can be sure of succeeding in your attacks if you only attack places which are undefended." Okay, so, this isn't war, but there's a sound media planning and buying strategy in Sun Tzu's advice.

In working with Chessboards, Inc., Capitol Media Solutions might find that:

- All of the competitors are focusing on geographic regions that are less important to the client.
- Competitors are conducting national campaigns, but it matters more to Chessboards to win over consumers in specific cities. A smaller, targeted budget can still give Chessboards the edge.
- Competitors have invested heavily in radio advertising and are [buying outdoor advertising](#), but they haven't targeted digital. Chessboards can own that medium.
- There are valuable channels and publications competitors are ignoring that will allow Chessboards to reach its audience. For example, we might recommend buying social media advertisements on LinkedIn or [advertising on Snapchat](#).

#### Another option is going head-to-head.

Sometimes, it's necessary to promote in the same geographic areas, media, and channels that competitors are using for their buys. The good news: we may be able to use greater efficiency to defend against larger media buying budgets. For example, we might:

- Negotiate for better rates or value add. As a result, the spend is lower, but the impact may be in line with a competitor's.
- Buy specific digital advertising models based on the client's goals. We might purchase impressions, opt for a performance-based model, use run-of-site, or employ a mix of these efforts. This can create value at a lower cost.
- Purchase ads in an influential publication where competitors are advertising. While there is direct competition, it may be worth accepting this reality as long as we can reach the audience we want.

Whichever strategy is right for your business, understanding what your competition is doing is a cost-cutting measure. It will prevent you from investing in markets in which other companies have overwhelming share; help you capture readership from valuable-but-overlooked publications; and allow you to plan your future advertising investment based on what the rest of the industry is doing.

**Know your competitors: analyze their approach to advertising for more effective media buying. [Talk with Capitol Media Solutions](#) about creating a plan for your company.**

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