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How small businesses can compete with a dominant brand

The launch of the new Windows 7 phone into the Smartphone market that is dominated by iPhone, pits two of the world's biggest brands, Microsoft and Apple, into direct competition.

Microsoft is the proverbial David to Apple's Goliath in this situation, and represents a struggle that small businesses face every day when they attempt to launch into an already competitive market – how do we compete with the dominant brand?

There is no simple answer to this conundrum, particularly for small businesses which do not have Microsoft's resources at their disposal.

Challenging the leading brand in a market is a difficult task, but not an unprecedented situation. Facebook was a young pretender to the might of Myspace, Bebo and Friends Reunited just five years ago, but has successfully put the others in the shade through its accessibility, engaging features and deep understanding of its user base.

Businesses launching a new product should be aware that there isn't a magic solution that can make them competitive, but below Martin Turner, MD of FreeIndex provides tips that can help a business begin to work towards challenging the dominant brand in its marketplace:

Don't be scared

Everybody starts somewhere, including every large brand you see today. Have confidence that the product or service you are bringing to market, while not well known (right now), offers an alternative solution to the dominant brand.

Differentiate your product or service

Businesses need to give customers a reason why they should choose their product or service over an established brand. The strongest ways to differentiate are through product innovation, price and service. FreeIndex competed successfully with market leaders by offering the first free online business information directory, coupled with an innovative quote request service.

Leverage social media

Big brands have large advertising budgets, and traditionally have held advantage over small businesses by being able to 'shout the loudest'. But this world order has changed dramatically with the advent of social networks such as Twitter and Facebook. These sites provide small businesses with a cost effective means of communicating with their target audience to quickly build brand awareness, loyalty and advocates. Also consider utilising blogs, forums and business information sites to raise a business' profile and engage and interact directly with customers.

Be flexible

Much like a lightweight boxer facing up to a heavyweight, a small business' greatest asset is speed. A smaller business has the ability to react quickly to changing environments and adapt its business model to meet customer needs on a day-to-day basis. Bigger brands are similar to slow-turning oil tankers, with many layers of decision makers, before a position can be alerted. Small businesses should make the most of this advantage, and like their lightweight counterpart, keep themselves one step ahead of the heavyweight rival.

Provide great customer service

Many large brands have poor reputations with their customers because they are slow to react to their concerns. Smaller businesses can take advantage of this by making sure service levels are second to none. Have a complaint system in place, respond quickly and turn issues into a positive legacy for the business. Some businesses now employ social networks to address customer concerns, and this can be another great tool to help compete with big brands.

Small businesses can compete with the leader in a marketplace, but to do this they must seek advantages and exploit them where they can. If customers perceive that a business offers added value over a big brand, it can breed lasting loyalty.

About the Author

Martin Turner is Managing Director of [FreeIndex](#), a leading UK business information website which provides sales leads to businesses by providing in-depth information to consumers.