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Questions for Critical Thinking

1. What are the common attributes across the three companies in this feature? How do these attributes help the companies thrive in otherwise competitive industries?

2. In what ways are each company's features redefining the customer experience in their industries?
3. Of the three companies featured, which one do you think has the most potential to remain competitive? Which company do you think is the most vulnerable to increased competition from competitors? Explain your answers.
4. Find an example of another company that is thriving in a highly competitive industry. Analyze the company and discern what sets it apart from its competitors.

Sources: Hipmunk, Hipmunk home page, www.hipmunk.com (accessed February 19, 2014); Element Bars home page, www.elementbars.com (accessed February 19, 2014); BenchPrep home page, www.benchprep.com (accessed February 19, 2014); B. Sherr, "App Watch: Making Test Preparation Mobile, Social," *Wall Street Journal*, November 1, 2010.

If a competitor is a publicly traded firm, a description of the firm's business and its financial information is available through annual reports filed with the Securities and Exchange Commission (SEC). These reports are public records and are available at the SEC's website (www.sec.gov). If one or more of the competitors is a private company, the task is more difficult, given that private companies are not required to divulge information to the public. There are a number of ways that a firm can ethically obtain information about its competitors. A sample of the most common techniques is shown in Table 5.4.

Completing a Competitive Analysis Grid

As we mentioned previously, a **competitive analysis grid** is a tool for organizing the information a firm collects about its competitors. It can help a firm see how it stacks up against its competitors, provide ideas for markets to

TABLE 5.4 Sources of Competitive Intelligence

Source	Description/Benefit
Attend conferences and trade shows	Participants talk about the latest trends in the industry and display their most current products.
Purchase competitors' products	Purchasing and using a competitor's products can provide insight into their benefits and shortcomings. The purchase process itself can provide data about how a competitor treats its customers.
Study competitors' websites and social media pages	Many companies put a lot of information on their websites, including product information and the latest news about the company. The same goes for a company's pages on social media outlets, such as Facebook and Twitter.
Set up Google e-mail alerts	Google e-mail alerts are updates of the latest Google results, including press releases, news articles, and blog posts, on any keywords of interest. You can set up e-mail alerts using your company's name or the name of a competitor.
Read industry-related books, magazines, websites, and blogs	Many of these sources contain articles or features that have information about competitors.
Talk to customers about what motivated them to buy your product as opposed to your competitor's product	Customers can provide a wealth of information about the advantages and disadvantages of competing products.