



The Competitive Environment

Competitive –adjective

1. Pertaining to, involving, or decided by competition.
2. A feature that could give an advantage over competitors.
3. Having a strong desire to compete and to succeed.

Environment –noun

1. The aggregate of surrounding things, conditions, or influences.
2. Social and cultural forces that shape the life of a person or a population.
3. Ecology; air, water, minerals, organisms, and all other external factors surrounding and affecting a given organism at any time.

Put most simply, Competitive Environment is a marketing term for “the state of the marketplace.”

It is also a major component of a Market Assessment or Marketing Plan.

The Competitive Environment is sometimes referred to as the Business Environment, or appears as a “Competition” subset of the Business Environment header. Regardless of which way it appears, this analysis of the environment often includes; economic, social, technological, and political conditions in which a business functions. As the Competitive Environment name suggests, it has a strong emphasis on competitors; both direct and in-direct.

These various factors affect processes and performance and should be considered when making organizational decisions and Strategic Planning.

Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people. There are many approaches to strategic planning but typically a three-step process may be used:

1. Situation - evaluate the current situation and how it came about
(the competitive environment.)
2. Target - define goals and/or objectives

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3. Path - map a possible route or plan to achieve the goals/objectives.

The outcome is normally a strategic plan which is used as guidance to define functional and divisional plans, including Marketing.

When developing strategies, analysis of the organization and its competitive environment (as it is at the moment and how it may develop in the future) is critical. The analysis has to be internal as well as external to identify all opportunities and threats of any new strategy.

About the Author

David Hickman is a Partner at The Still and has over 25 years of marketing and advertising agency experience. He has directed several national ad agencies in New York and Atlanta as a Vice-President, Creative Director, Art Director or Marketing Director.

About The Still

An intellectual property creation, marketing, and media consulting firm, The Still handles all aspects of your company's branding and positioning efforts. The Still provides media metrics analysis, marketing audits, and market research, as well as marketing execution and idea creation. See http://www.ideaDistillery.com/About_The_Still.html

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