

IN PURSUIT OF THE COMPETITION



Acceleration of processes occurring in companies resulted in development of the methods used to examine the prices of the competitors. In the current business reality, the best decisions require access to the most up-to-date information. This allows the company to be a step ahead of its competitors in completion of specific goals.

The current methods of examining the competitors' prices enable collection of the most up-to-date information and to send them to a single,

central location. The decision-makers obtain another tool which supports the company management and speeds up the decision-making process. Nowadays, a prosperous company means swift actions and adaptation to the changing surrounding conditions. Therefore, a question comes to mind – at times of market saturation, will a proper utilization of the obtained information on the competition allow to achieve the intended goals?

How to quickly adapt to the market realities

Entities which conduct business activity in the market realities are forced to create numerous types of complex analyses for one's own purposes, i.e. to make

more rational decisions, to identify strengths and weaknesses, opportunities and hazards.

4,3%

This is how much you can gain if your prices are 1% lower than those of your competitors

Once, it was considered unethical to check the competitors' prices, whereas now it is actually a standard and common practice. The aforesaid analytical requirements make it necessary to employ additional analysts and their time. Development of the methods for monitoring the competitors' prices allows to analyse the prices of individual goods and services. Obtained and processed information allow to understand the trends dominating in

the company's surroundings, as well as to formulate strategic and operational goals.

The key to successful recognition and understanding of the trends is to use the most up-to-date data in the analytical process. Analysis of the competitors' prices quickly provides up-to-date and reliable information on the competitors' prices.

Along with market progress, acquiring this sort of analyses has become more time-consuming and expensive. This situation can be solved by using systems which meet all the current expectations of a demanding market. Using the methods of analysing the competitors' prices gives companies additional benefits. These can include:

- Shorter decision-making time
The process of obtaining up-to-date information and transferring them to the data repository is much shorter. Access to up-to-date analyses streamlines the decision-making process in the company. Sales representatives no longer waste time for manual filling-out of redundant documentation.
- Minimized risk
Manual input of data is minimized, which reduces the chance of errors when entering price information.
- Update
Sales representatives can update and collect information even several times a day. Acquisition of information is much faster, thanks to application of mobile devices.
- Attractive price
The generated analyses allow fast adaptation of the prices to the market capabilities. The price becomes more attractive.
- Safety
Using comparative analyses is a safe way to compare own prices to those of the competitors. Use of mobile devices in the process of obtaining up-to-date pricing data has significantly increased discretion and safety of the sales representatives' work.
- Open solution
The open nature of the solutions makes the application adaptable to individual expectations of the customer. The collected price information can be entered and sent via a central computer with access to the application, or with mobile devices.

- Learning about your competition from the inside
Knowing the pricing strategy of the competition is a complex and long-term process. By creating pricing scenarios, it is possible to learn the competitors' pricing strategy within a short period of time. This allows to adjust the prices to the demand, in order for the pricing strategy not to stay behind the competition.

- Significant acceleration thanks to mobile devices
Using mobile devices accelerates the process of monitoring the current information by sending the collected pricing information directly from a mobile device to the central database which collect the data.

A company managed in a modern manner is an institution capable of quick adjustment to the dynamic changes which occur in the environment. The process of maintaining the leading position and creating the leading position in the given industry requires constant growth of the company, but also continuous observation of the environment.

Analysis of the competitors' prices is a modern solution which support the company management process. Using the function of collecting information and pricing updates, this solution provides reports based on the most actual data.

Use the potential **of your industry**

Every industry means a different environment, where companies adapt to the rules prevailing in the given field. The extent of utilizing the capacities of competition pricing analysis is highly dependent on the type of business. There are trades where the quality of the products offered is the same or very similar, and the only factor which decides the choice is the lowest price.

One of the perfect examples of application is the fuel industry, specifically the level of monitoring the prices of rival stations. In most cases, fuels offered by stations are of

the same quality. Therefore, the key factor for deciding the place of purchase is the price.

Similarly, it is possible to use the competitors' pricing monitoring in the financial business, as illustrated by the example of foreign exchange in traditional and online currency bureaus. The products offered by the exchange bureaus, in this case currencies – are identical, thus the decision on the place of purchasing the currency will depend on the price.

Monitoring of the competitors' pricing is also applicable in chains of groceries, as well as in large-format stores (e.g. those offering household appliances and audio/video devices). A good example which illustrates the pricing competition for the same products are TVs in consumer electronics stores. Frequent investigations of the competitors' prices enables systematic analysis of the competing pricing policies. The food industry operates in similar manner. Grocery stores often monitor the prices of their competitors in order to offer baskets of products at the most attractive prices.

Using the above-mentioned examples, one can present more applications in other branches of business. As the market conditions in which the companies operate is becoming increasingly difficult every year, the pricing war is escalating. Whereas depending on the specificity of the given trade, it allows, to a various extent, to derive benefits from the ability to monitor the prices.

Mobile competition

Only several years ago investigation of the competitors' prices was a time-consuming and complicated process. Thanks to the progress which took place in the recent years, monitoring of prices has never been that simple. The time-consuming process of updating the price information can be replaced with an efficient solution which provides pricing information with immediate effect.

Application of this solution is presented using an example of price monitoring for a chain of local stores. The main goal of monitoring is access to the most up-to-date information on the competitors' prices, in order to make our offer the most attractive from the perspective of the customers.

Sales representatives charged with investigating the competitors' prices are equipped with company mobile devices with built-in camera. A mobile application allows to take a photograph showing the competitors' prices and to manually enter individual price of the given product. An information package collected in this manner is sent to the central database which collects the pricing information.

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A good-quality photograph documents individual price levels. The photo must be taken at the specific commercial chain of the competition. Mobile devices are fitted with GPS location, allowing them to verify the GPS coordinates, the place of taking the photo, as well as the date and hour of the same. The main purpose of this action is to automate processing of information related to the place and time of monitoring. The mobile application automatically sends this information to the central database. This allows to reduce the risk of error when entering the data, and to verify if the sales representatives fulfil their duties.

The main goal of manual entering of individual price information is to collect the information and send it to the central data base within a brief period of time. The function in question enables significant reduction of the time required to collect up-to-date information; it also minimizes the risk of errors when entering individual price information.

Effective operation of this solution is guaranteed by creation of both central and mobile application. Thanks to communication between the application, the collected information are quickly transferred to the main database. The data stored in the base gather current and historical pricing information.

Combination of other solutions offered by Comarch Business Intelligence with the monitoring solution offers additional benefits and possibilities. Assuming that the company has a reporting tool, combination of the competitors' price information with all other reporting items, such as sales for the given period, enables comparison of the business environment that is the competition.

By saving time, the decision made impact the changes occurring in the company's environment. Information obtained in the monitoring process constitute an addi-

tional knowledge about the market and the competition. Competent use of these information allows to extend the knowledge about the environment of the given company and its competitors.

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Business Intelligence

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The key to success in modernly managed companies is work on the most up-to-date information. This generates demand for this sort of solutions. The Comarch solution significantly shortens the process of collecting and analysing the pricing information. It allows to make decisions based on reports which

reflect the actual market circumstances.



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