

OPINION /

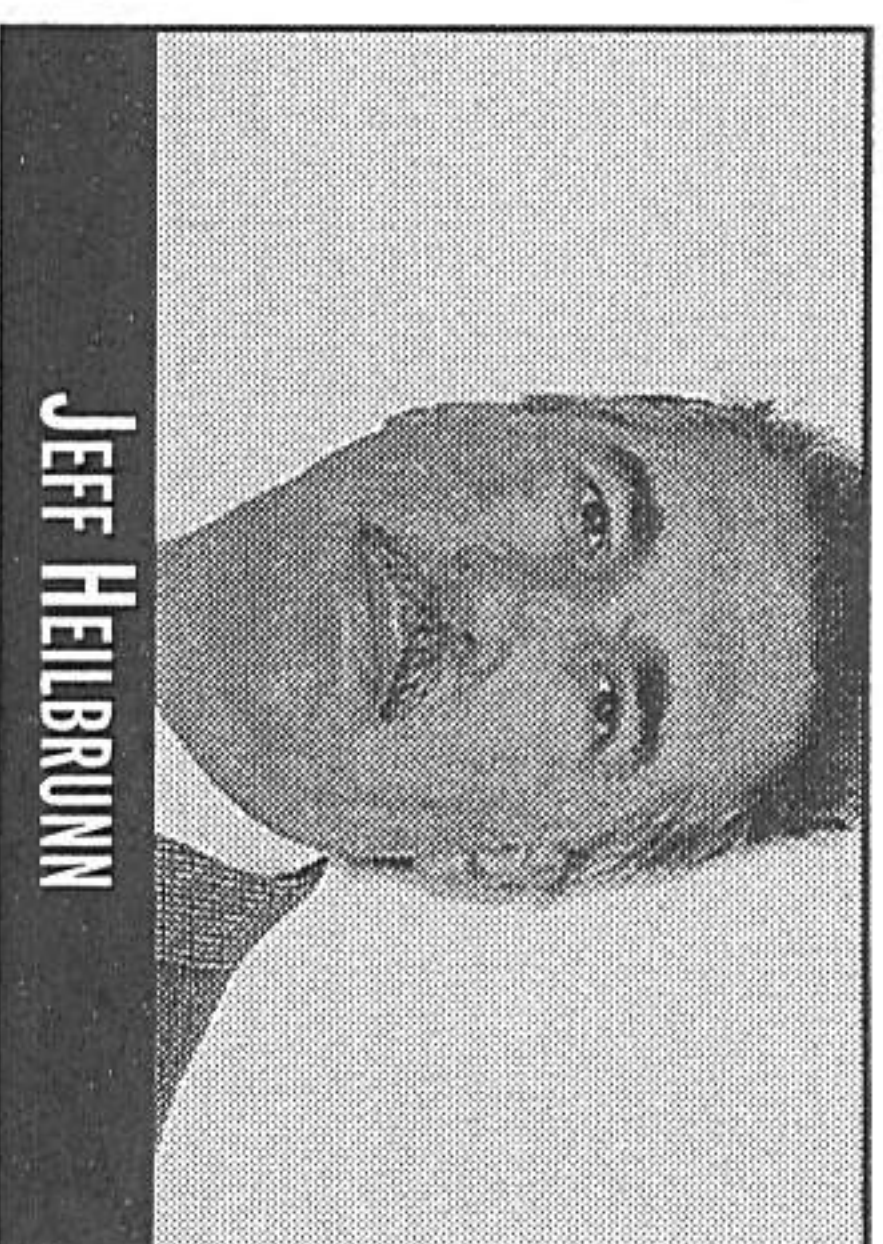
# Treat market competitors like enemies on battlefield

**T**here are many references to warfare principles in marketing. Even Von Clauswitz and Sun-Tzu have been referenced in marketing warfare literature.

Recently I stumbled upon a work by Dr. Otto Heilbrunn — incidentally not a relative to my knowledge — called “Partisan Warfare.” It discusses the successful campaigns of insurgents in the Baltics, Afghanistan, China and Vietnam, as well as guerrilla principles. Insurgent campaigns are most often based upon discontent and patriotism. For a business owner, fighting the big competitor is a constant challenge, and principles of insurgency might be a good strategy.

A noted marketing insurgent that comes to my mind is Apple Computer. Consumer discontent within the computer marketplace evolved into somewhat of a dream for Apple: a computer not prone to crashing and patriotism. It became Apple Computer’s evangelistic message. Just ask any truly dedicated Apple user; they speak about their computer with a fervor that borders on religion. Apple built upon discontent in the marketplace and offered a solution that would get people to follow them.

Intelligent partisan warfare, as noted by Dr. Heilbrunn, involves the following seven points:



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■ Fein an attack, and attack somewhere else. This can be done in several ways. A company could leak information that it soon will have a competitive product in a particular area, then release a breakthrough in a separate area, taking the competitor totally off guard. Similarly word could get out that a company plans to open in a new territory. Misinformation could lead the competitor to think a company is planning an attack in one place, while it works to open a different location.

■ Be alternatively visible and invisible. Pop up here and there, just to confuse the competition. Get them to commit resources to fight your company in places where you have no intention of competing.

■ Attack enemy weak points; if there are none, create them before you

attack. Apple knew that some PCs were prone to fatal errors, and it attacked this key flaw of early PCs.

■ Know when to advance and when to retreat. Insurgents fight and retreat to go at it another day, minimizing their casualties.

Netflix is an upstart delivery system for getting DVD rentals at home. It leveraged a weak point at Blockbuster, its return and penalty process. It also featured a monthly flat fee for rentals.

Blockbuster responded by creating a monthly plan of its own. Netflix retreated for a moment, then came back with a lower price for its service, hoping to continue to build share and allegiance to its program in 2005. Netflix vs. Blockbuster is true insurgency warfare.

■ Attack, destroy and withdraw. Upstart airlines like JetBlue take on high-volume routes where they can lower prices and gain share, while still making money because they are not burdened with high-cost labor agreements. They attack, destroy and then lay low until the next opportunity, or route, becomes available.

■ Do not fight unless success is certain. JetBlue will not take on a route where it will not be successful. Recently friends of mine closed their hobby shop in downtown Crystal Lake. Hobby Lobby was coming to town, and they

determined that they could not compete. No doubt they will try another small business, where their success is more assured.

■ Change tactics and keep the enemy guessing. Amazon was the insurgent retailer of books. It captured the market for online purchases and made industry leaders Borders and Barnes and Noble chase it. Amazon became the leader. But the mindset of the insurgent kept it from resting on its laurels. Amazon became an insurgent in new areas, such as online music, fashion and more. They changed tactics to keep growing and to keep all of their enemies guessing.

Add to the above lessons a degree of secrecy, speed, initiative and resoluteness, and your company could be the next David knocking out the Goliath within your industry. And if you are Goliath, read these words carefully as a David is no doubt preparing to attack. For more information, see “Partisan Warfare” by Otto Heilbrunn. Published in 1962 by George Allen and Unwin Ltd.

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## Don't abandon efficiency with hope of improved economy

**A**t the beginning of every year, economists present their forecasts, and businesses begin implementing their strategic plans.



itself to expansions right in our backyard. The bad news is that the fast-track permitting processes have not been accepted across all levels of government in order to meet the need for

### MCEDC notes

■ Mark your calendars for the 2005 Online Wage, Salary and Benefit Survey