

Small Business: Growing your market share

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For many small business owners, grabbing more market share in this economy is a constant struggle.

There's lots of competition for limited dollars, and business owners often resort to price cutting in an effort to draw customers away from competitors.

But in this type of economy it's not lower prices that will help build your bottom line but your ability to diversify, find new opportunities and capitalize on your competitor's weaknesses that will carry you through the lean times, say experts.

"Price cutting doesn't work because somebody else will always beat your price," explains Ross Shafer, a Denver-based speaker and author of "Grab More Market Share: How to Wrangle Business Away From Lazy Competitors" (Wiley; \$22.95).

The best way to grow market share in this economy is by taking it away from your competitors, he notes.

"You've got to strategically spot your lazy competitors and then leverage what they're doing wrong," says Shafer.

Target competitors: For starters, legally spy on your competitors to see what their customers are complaining about and reach out to those unhappy customers, suggests Schafer. Subscribe to your competitor's [Facebook](#) page and follow it on Twitter, he suggests. Use tools like [Google](#) alerts (google.com/alerts) and Addictomatic.com to track when they are mentioned online, and get on their news release list if you can, he says. If you see a customer complaining in an online forum, you can try reaching out to that customer and make an introduction, he notes.

Create your own internal forum or website where your own customers can speak to you, he suggests, noting it will help you deal with issues and respond to customer needs.

Use the lull in business to find opportunities to reconnect with customers and also prospect for new customers, says Lawrence Gelburd, a [Philadelphia](#)-based management consultant and a lecturer on entrepreneurship at The Wharton School of the [University of Pennsylvania](#).



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See how the economy has affected your existing base of clients and if their needs have changed, he suggests. Talk to them to identify their growth niches and if there's some way you can serve them better, he notes. This may mean your product mix may need to change.

Expand offerings: If possible, find complementary products and services you can offer existing clients, says Rob Basso, president of Advantage Payroll Services in [Freeport](#) and author of "The Everyday Entrepreneur" (Wiley; \$24.95).

For instance, he has started offering his payroll processing clients labor law compliance posters and has set up an online retail portal for clients to receive discounts on retail purchases and cash-back rewards based on how much they spend on the site. "It offers extra value to the customer," he says.

[Roger Kahn](#) of Champion Office Suites in [Garden City](#) found that expanding his offerings helped boost sales 1 percent to 3 percent a month. About a year ago, Champion, which offers virtual office services (i.e., hourly office space and mail forwarding) and executive office suites, also started offering video conferencing services to clients.

"It generates income and puts another set of eyeballs in my space," he notes.

Strategic alliances: Striking strategic alliances with other worldwide networks of video conferencing and virtual office service providers, including Affinity VideoNet, has also helped him grow market share and sales, he says. If any of these network providers have clients that need any of these services in [Nassau](#), they refer them to him, and vice versa, says [Kahn](#).

The key, though, to making a strategic alliance work is that both parties carry their weight and stay equally invested in the relationship, says Basso. "It can't be a one-sided relationship."

Other ways to grow market share

1. Acquire or merge with another company
2. Expand into a new territory
3. Try licensing your products
4. Pursue government contracts
5. Expand your online presence

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