

## **Using Business Benchmarking to Improve Operations**

Business benchmarking is the comparison of your current performance data to either past performance data, or your competitors performance data. By benchmarking your data, you can gain a clear understanding of what areas of your business need improvement.

### **Business Benchmarking: A Case in Marketing**

So you want to learn more about this benchmarking stuff, but are not sure exactly how it can impact your business? Well, take this case in marketing. Business A is competing against Business B, and using pay-per click advertising on Google. Business A wants to know how they compare in advertising spend and keyword performance against Business B. Using online tools like SEM Rush or Spy Fu, Business A can gain insight into Business B's advertising spend, keyword bids, average position of keywords, estimated traffic, and even their ad copy.

### **How do you benchmark with this data?**

Now that Business A has this data they can compare that to their own performance and spend, if they see that Business B is bidding on keywords that they are not bidding on, then they can cite that as an area that they can improve on. Additionally, Business A can use this data on Business B to determine if their estimated traffic flow compares well against them, and can help to lower their overall advertising costs by finding new opportunities to bid on.

### **What's next after benchmarking?**

After you compare your data to your competitors, you can then begin to formulate plans and establish goals based around those key performance indicators. By using the benchmarks as your KPIs you can then work towards overtaking your competition. In the case of Business A, they'll begin to use their new insight into Business B's marketing operations to dilute their advertising impressions and slowly take more market share away from them from online channels.