

Competitive Analysis

The strength of the competition is key to finding your competitive advantage. Defining your key industrial competitive pressures provides a framework for developing strategies to your growth. Analyzing the primary competitor and identifying their Strengths, Weaknesses, Opportunities, and Threats (SWOT Analysis) help determine target markets, marketing plan, customer service, sales forecasting and sales planning.

Examining the following will assist in the competitive analysis:

- ✓ Identify the level of rivalry among competing sellers in the industry
- ✓ Review strategies of companies to encourage customers to switch from a competitor
- ✓ Analyze ease of entry for new competitors
- ✓ Determine bargaining power for suppliers of key materials and components
- ✓ Determine bargaining power for buyers of the product
- ✓ Discover options for product/service distribution

SWOT Analysis

Identifying the Strengths, Weaknesses, Opportunities and Threats of your competition

Strengths of your Primary Competitor

- ✓ What is your primary competitor's competitive advantage?
- ✓ Does the competition have a unique area of specialty or expertise?
- ✓ Who is the competition's target market?
- ✓ What are their promotional strategies?
- ✓ What do their customers really like about them?
- ✓ How do they communicate to their customers? (Marketing methods used)
- ✓ Do they have specific strengths in personnel, delivery, customer service, technology, promotional materials, or product delivery that will be difficult challenges to overcome?
- ✓ What new products are they developing?

Weaknesses of Your Primary Competitor

- ✓ What target markets are they missing or under serving?
- ✓ What is one thing their customers would change? What do their customers dislike?
- ✓ Is their message appropriate for the target market? Does it identify **benefits** for using their company or only features?
- ✓ Are they using the right media to contact their target market?
- ✓ What are areas of weakness that you can use as attack points?
- ✓ Can you have a competitive advantage in product delivery time, customer service, placement/access to the product/service, providing information, saving

space for storage, use of personnel energy/time to save money?

Opportunities – This area generally comes from your Industry Analysis. Identify New trends in the market that competitors often are not pursuing.

- ✓ What areas of growth are available that are emerging, underserved or missed?
- ✓ Is there a specialty or niche market that needs your products/services?
- ✓ What are the future areas of growth in your industry or geographic area?
- ✓ Can you develop specific technologies/services/products that the customers really need?
- ✓ Is there an opportunity to shorten delivery time, use technology to provide necessary information, or assist in cutting costs?

Threats – Your industry analysis also can help with this section. Threats may come from the competition trying to drive you out through cutting prices, limiting access to vendors, etc. It can also come from governmental issues, mature industry, declining market.

- ✓ Is there an excess room/demand for another company in this industry?
- ✓ Is the geographic area or market area saturated?
- ✓ How will the economy or government changes effect the future sales of your company?
- ✓ Are there any demographic shifts in the customers that will impact your company negatively?
- ✓ Is the projected industry growth in your geographical area and target market large enough to support your company's growth?