

Assessing Your Competition & Your Competitive Advantages

Researching your competition, next to researching your market, should be one of the most important steps in the development of your business plan and your business. It will take time and effort but it will yield a high return....it will make you aware of opportunities, it will help you to avoid pitfalls and not waste money, it will help you know yourself and how you are positioned within the business environment that you have chosen to operate.

Determine What Information You Need to Know About.....

Your Customers

Who are they? Where are they? Why do they buy? Where do they buy now?

Your competitors

Who are they? What do they offer? What are their competitive advantages? Etc.

Your environment?

What will happen to the industry? Will the economy change? Am I on the right side of a trend? Etc.

The Competition Survey Can be very valuable but be tactful!

Here are some ideas

- Try posing as a customer
- Ask competitors about other competitors
- Join appropriate associations
- Visit similar companies in other markets
- Interview a company in a similar but not competing industry

Analyze the Information and Make Decisions

- Go over your research info and compile all useful information
- Interpret what your research means regarding prices, products, promotion
- Look for opportunities, needs that are not met by a competitor
- ***Be honest about both your competitor's advantages and your weaknesses***
- ***Take action based on what you learnt***

As a result of this research you should fundamentally understand your competition, and what makes them tick. Likewise, you should be able to describe where you are in relation to your competition.

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COMPETITION EVALUATION WORKSHEET

1. **Name of Competitor:**

2. **Location**

3. **Product**

4. **Service**

5. **Packaging**

6. **Price**

7. **Methods of Distribution**

8. **Suppliers**

9. **Strengths**

10. **Weaknesses**

11. **Additional Information**

NOTE: A Competition Evaluation Worksheet should be made for each competitor. Keep these records and update them.

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The Competition

**Competitive
Analysis**

Criterion	My Business	Competitor 1	Competitor 2	Competitor 3
Pricing				
Signage				
Layout				
Merchandise quality				
Merchandise selection				
Labels/brands				
Staff				
Location				
Parking				
Advertising				
Literature				
Legend B=Best G=Good F=Fair P=Poor				