

How to make a business stand out from competition on the co-working market in Liverpool?

**DoES LIVERPOOL**

# COMPETITIVE ANALYSIS



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## Introduction

Liverpool is a city of entrepreneurs. In 2018, the number of new businesses was 11,451, in the Liverpool city area. According to Instant Offices, in 2016, Liverpool has been named the UK's most entrepreneurial city. In 2017, Liverpool saw some of the highest activity in the coworking area. As a result, we are seeing higher customer demand.

The coworking market in Liverpool is very developed, many companies offer this service and so there is a lot of competition. That's why I decided to work on a competitive analysis, which will respond to the next question: How to make a business stand out from competition on the co-working market in Liverpool?

This competitive analysis will therefore measure competitive intensity, identify the competitive advantages and strategies of competitors and finally determine the position of Does Liverpool on the market compared to its competitors.

### **What is coworking?**

Co-working spaces involve individuals sharing the same working environment, most commonly an office. The space has been organized so that the exchanges are optimized. These spaces create a very favourable climate for emulation and the sharing of ideas. It encourages exchange and creativity.

There are two aims: one is economic, the other is social; with two principles: sharing and collaboration. The first goal is to lower the costs of the workspace, of equipment and of consumables (like coffee) by sharing it with other co-workers. The second goal is to research of social link to break off loneliness.

## Methodology

I started by listing the competitors and analysing them individually (year of creation, their offers, their prices, their community on social networks). Then I separated them into several groups:

- The leaders
- Companies of the same level
- New competitors and / or small businesses.

Then I determined the indirect competitors.

I used the website "COWORKER.COM" (specialized in coworking to help me list competitors), and the website "Companies House" (which references all companies).

I then used tools to better analyse the competition: PORTER, SWOT and the graphic radar.

## The company: DoES Liverpool

DoES LIVERPOOL is a co-working, workshop and event space in Liverpool's Fabric District.

### **Private Limited Company**

**CIC** : Community Interest Company

**Creation date** : 10 June 2011

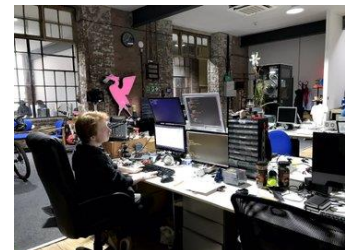
**Nature of Business** : 82990 - Other business support service activities not elsewhere classified

**Address** : 1st Floor, The Tapestry, 68 - 74 Kempston St, Liverpool L3 8HL, UK.

**Opening Hours** : 9h30 to 17h30 from Monday to Friday.

**Slogan** : "Where ideas take shape"

In 2011, six friends decided to open Does Liverpool. But now, the company is run by only three of the creators: Mr Adrian McEwen, Mr John McKerrell and Ms Jacqueline Pease. They wanted to serve a space that would let people find out about the stuff like 3D printers, laser cutters or CNC machines.



The space is paid by the community, for the community. Everyone is in charge. There are organisers meetings which people can go if they want. The meetings are open to the whole community. The directors don't take any money out. There is only one part-time employee.

In April 2018, after 6 years in the same place, Does Liverpool move to the Tapestry, a newly renovated building. The Tapestry is the new creative hub of the fabric district, where 7 collaborators are currently in. This move has been a new start for the company, with great coworking facilities and workshops, a bigger events space; several meeting rooms and a nice space to hang out, have a chat and drink coffee. (Appendice 1)



## Company's offers and prices

Does Liverpool have a very diversified offer; indeed, it offers co-working space, workshop (with 3D printers, laser cutters, CNC machines), meeting rooms, events spaces.

In addition, they offer some services as Maker Night and Maker Day (free events), business address, bicycle friendly, animal friendly and more recently children friendly.

### **MAKER NIGHT**

Maker Night took place every Thursday from 7pm. "It is a regular free meeting to provide a space for people to learn, experiment and work on project related to laser cutting, 3d printing,

etc”, DoES LIVERPOOL. They are informal, friendly events about building cool stuff and sharing expertise.

A lot of people coming along in the evening, during Maker Night, just because they want to come and play around with the printers, lasers, etc... and try loads of things

## CHILD FRIENDLY COWORKING

This is a new service for parents who run their business. They will enjoy all the benefits of coworking (having somewhere to work, meeting new people) and keep an eye on their child. (Because it is a new idea, parents and child sessions will be free at the beginning).

## COWORKING AND WORKSHOP PRICES

HOT DESKING	OFF PEAK WORKSHOP	WORKSHOP	FLEXIDESK	PERMANENT DESK
£6 half day £12 per day during opening hours	£35 per month during evening and weekends only workshop	£65 per month UNLIMITED  only workshop	£80/month access to office space (for regular short periode)	£180 unlimited access all rooms.
<ul style="list-style-type: none"> <li>Registered Business Address: £99/year (its includes 6 hot desk days)</li> </ul>				
FIRST DAY FREE, IF PEOPLE BRING CAKE				

## EVENTS PRICES

It is possible to host your own events in Does Liverpool. It will cost £100 per day and £15 per hour. People can do their events in the conferences room (30 people) or in the social meeting room (12 people).

## Company’s communication

### PRESS RELATION

- present on the “coworker” website (which groups all coworking spaces by cities).
- organization of "open doors" sequences with local partners (here Jelly Liverpool).

Jelly Liverpool is a freelance meet-up that travels from place to place every Thursday, to provide a space to work in with internet and coffee, for free. Don’t really matter what kind of business people are running, everyone is welcome.

Coworking spaces in collaboration with Jelly Liverpool in 2019 are Does Liverpool, Clockwise, LAB Liverpool, Sensor City, Liverpool Science Park and Regus.

#### WEBSITE

<https://doesliverpool.com/>,

On which people can find all the information about the company, such as their offers, prices, etc.

**E-COMMUNITIES** (presence on social networks (Facebook, Instagram, Twitter and Youtube)). Allow them to be closer to their community and to extend the influence of the company on target populations. On its Youtube channel, the company posts videos about discussion/conferences they could have made, examples of MakerNight, to show how this kind of evening could be looking like.

Twitter	Instagram	Facebook	YouTube
5,538 followers	1,314 followers	657 likes	19 subscribers and 41 videos

#### EVENTS

The regular organization of events (like Maker Night or Maker Day), favouring the opening of the coworking space /workshop to newcomers is essential.

### Turnover and demand

A coworking space has three sources of earnings: office rental (which includes coworking desks), meeting room rental and billing for training or events (conferences, exhibitions ...).

DoES Liverpool has seen its turnover evolve over the past two years. Indeed, it was 32,780 pounds during the year 2017-18 and increased to 45,400 during the year 2018-19. This evolution can be explained by the change of places, which involve a new location but also new offices.

The positive evolution of turnover necessarily means an increase in demand. DoES Liverpool has 12 people with permanent desk and 25 people with workshop memberships. The desk holders work in various fields, including IoT (Internet of Things) design and manufacture, software design and game development, app development, and remote workers for charities and social enterprises.

The majority of people who frequent coworking spaces are entrepreneurs, small businesses, start-ups and freelancers. Their motivations could be a limited travel time, the flexibility, the friendliness, the exchanges and of course the prices.

## Competitors analysis

In Liverpool, 18 companies are sharing the coworking market, including DoES Liverpool. You will see the list in the table below, which included the name of the company, the number of different offices in Liverpool, the presence of the company in other cities than Liverpool and the year of creation.

These competitors are all direct competitors to Does Liverpool because they offer the same service.

These direct competitors are divided into 3 groups:

- market leaders
- competitors of the same level
- new competitors and smaller companies

	Name	Offices number in Liverpool	Number of locations, except Liverpool	Creation Year in Liverpool	Comments
1	Does Liverpool	1		2011	
Market Leaders					
2	Regus	4	3000 locations in 120 countries	2009	The last office opened in 2017 in Liverpool
3	Bruntwood - The Plaza	7	5 cities in UK	/	Only one of the offices offer co-working.
4	Make Baltic + North docks	2		2016	
5	Avenue HQ	2	1 Leeds	2016	
Competitors on the same level					
6	Basecamp	1		2011	
7	Spaces Works Lvp - Space Ropewalks	1	in 69 countries 39 in UK	2011	
8	LAB by capacity	1		2015	
9	Signature Works	1		2016	



10	unit3 design studio	1		2013	
11	Baltic CoWorking Space/ Jordan Street	1		2010	
12	2030hub	1		2017	
13	Hub Squared	1		2017	
14	CoWorkz	1 + film studio	2 - Chester & Cheshire	2014	
15	Clockwise	1	3	/	
16	Liverpool science park	1		/	
17	Sensor City	1		2014	
New competitor					
18	Pullman Liverpool	1		service : 2019	Pullman is a hotel, who recently open its coworking space






After an analysis of all these competitors, I noticed that they all offered the same services, so there is a basic offer for coworking spaces, which is: a workspace for coworking (with different range of price), a meeting room, a virtual office, a break room and Wi-Fi. Then some companies diversify their offers and can provide: a private office space (for more confidentiality), a workshop, studio, conferences rooms and others services (i.e Mentoring, Advice for business, Child Friendly, etc.)


## Competitors Comparison

After analysing the prices and offer of each competitor (Appendice 2), I focused my research on only five competitors. I selected the closest competitors to DoES Liverpool's profile. Selecting the closest competitors to the company profile helps focus the search on the most threatening competitors, who are in direct competition with the company. It is a basic principle in strategy: it is necessary to focus its actions for more efficiency and effectiveness.

The companies are:

- Basecamp (B)
- Avenue HQ (C)
- LAB by Capacity (D)
- Signature Works (E)
- Coworkz (F)

	Company name	Services	Permanent Desk Prices per month	Communication (social media community)*	Competitive advantages
A	Does Liverpool 	Workspace, Workshop, events (3)	180	Twitter : 5.538	The social side of co-working is very present at Does Liverpool. Its offers are diverse: workspace, workshop and events with a very varied price range. They have just launched their new service which is the child coworking.
B	Basecamp 	Coworking (1)	160	Facebook : 402	Basecamp only offers coworking but at a low price. But there is not much price flexibility (only two)
C	Avenue HQ 	workspace, workshop, studios, offices (4)	200	Insta : 4802	Avenue HQ proposes a lot of offers like Does Liverpool. But it also offers private offices, for more confidentiality, and Studios. Their prices are a little higher.
D	LAB By Capacity 	workspace, mentoring, events, offices (4)	200	Twitter : 4.563	LAB by Capacity offers Business mentoring in addition to the coworking space, private offices and events. Their prices are a higher than Does Liverpool.
E	Signature Works 	workspace, business support, private offices	175	Facebook : 3290	The offer of signature work is very similar to the one of LAB by Capacity: workspace, private offices, business support, but at lower prices!

F	Coworkz 	workspace, workshop, studios (3)	150	Facebook : 3.486	Coworkz has the lowest prices between these 6 companies. It offers workspace and workshop (like Does Liverpool) and studios.
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\*These companies have about the same number of people who follow them on social networks. Some companies do not have twitter, or Instagram, so I decided to show the social network whose they have the most subscribers.

Next, I did a "graphic radar" to show the strengths and weaknesses of each company, following the information placed in the previous table.

**A: DoES Liverpool**

**B: Basecamp**

**C: Avenue HQ**

**D: LAB by Capacity**

**E: Signature Works**

**F: Coworkz**

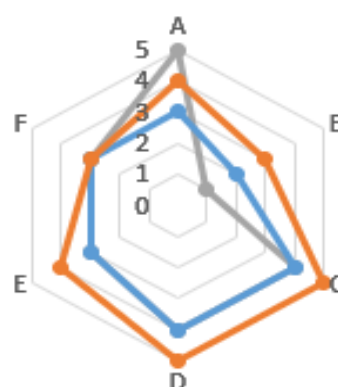
	Company	Services	Prices	Community
	A	3	4	5
	B	2	3	1
	C	4	5	4
	D	4	5	4
	E	3	4	3
	F	3	3	3

The scale was 1 to 5. 1 being the weakest and 5 being the strongest. What was used to compare competitors is: The services, which show the breadth of the offer, the price competitiveness and the community (following the numbers of subscribers).

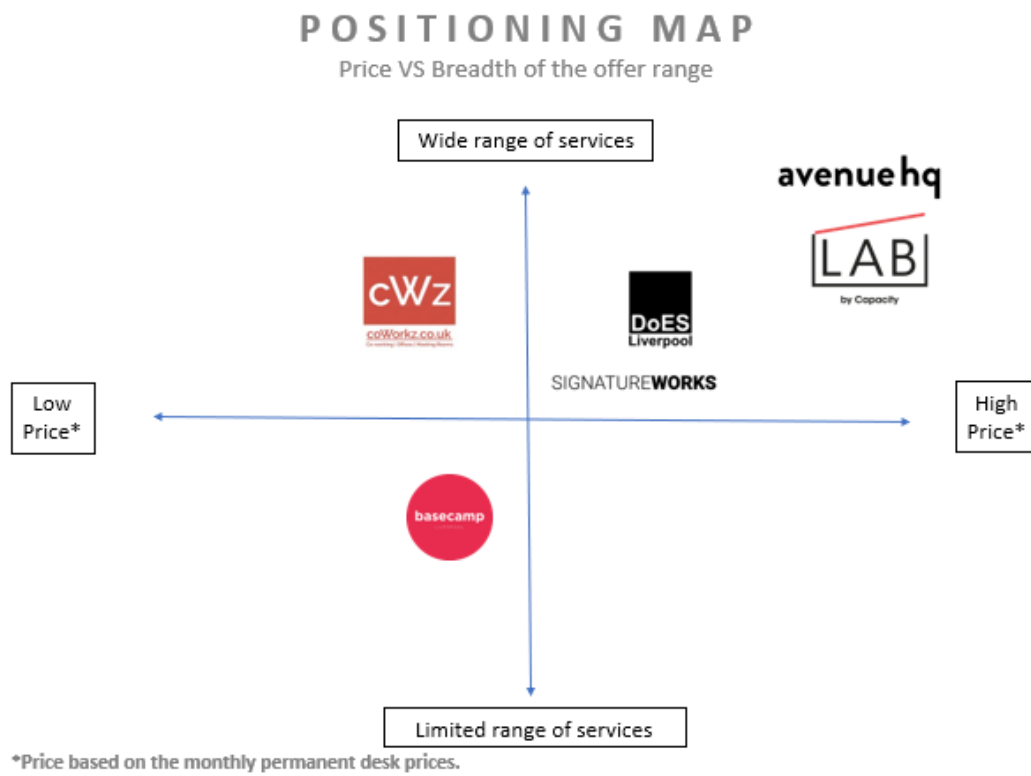
For example, for the company A, it has a 3 on the Services case because the company offer 3 services: workspace, workshop and rooms for conferences or events. About the prices, the company has a 4, because I considered that a 5 was the highest price (200£) and DoES Liverpool offer a permanent desk at 180£, so it is a 4. And finally, for the Community case, the company has a 5, because compared to the other companies, DoES Liverpool had the highest number of subscribers. (It will be a 5 for more than 5,000 subscribers, a 4 for more than 4,000).

### Competitors Comparison

— Community — Services — Prices



Finally, I summarized the results on this map, which represents the six competitors positioned according to the price and the width of their range.



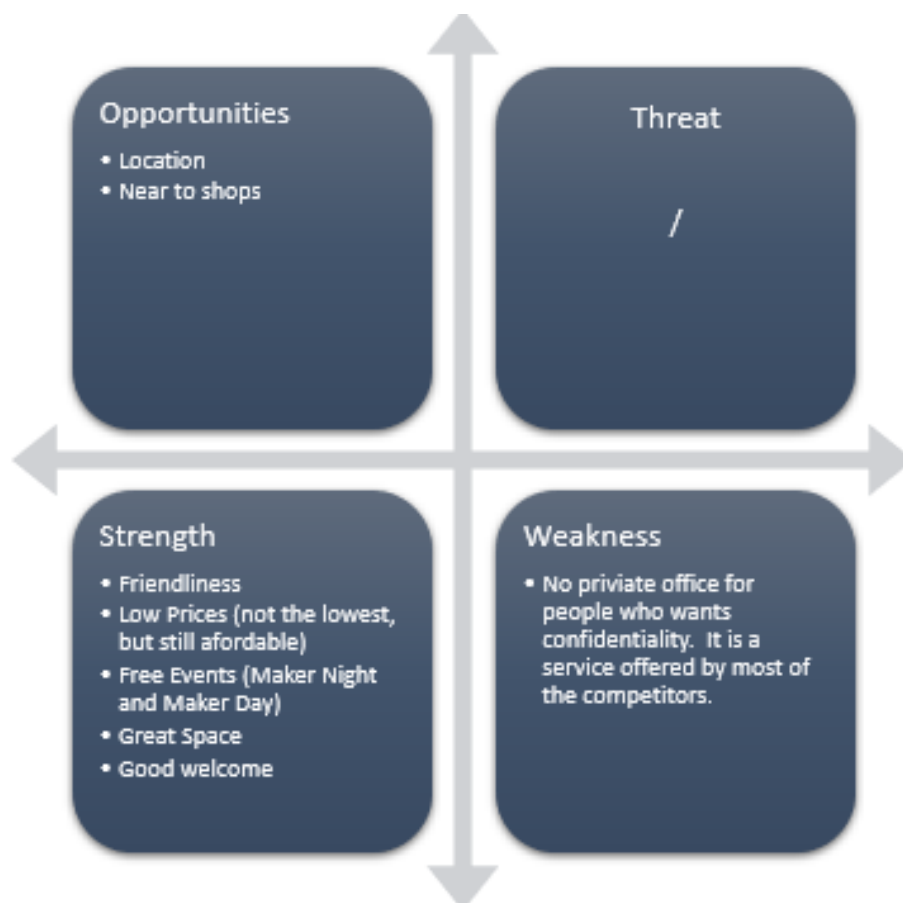
The company has a good community on social networks compared to its competitors (it has more than 5,000 followers, while the others remain below). In terms of prices, they remain very low, but some competitors have very low prices which give them a competitive advantage like Basecamp and Coworkz. But prices are not all. The offer also has an important place. The more diversified the offer will be, the more customers numbers will increase because everybody will find something that they need in the company. LAB by capacity is a very big competitor on this point, as well as Avenue HQ. Does Liverpool find itself well placed compared to its competitors of the same level.

## Strengths, weakness and competitive advantages of DoES Liverpool

The strengths of Does Liverpool are firstly, that it is a very friendly place. The company puts the community first, and this what the customers are looking for. Secondly, it offers very low prices for a permanent desk. And finally, DoES LIVERPOOL offers a workshop, service that is not offered by all competitors in the market, indeed, they are only 4 out of 18 (the three other competitors are Avenue HQ, Make Liverpool and Coworkz).

Its weakness could be the lack of private offices. Most of its competitors offer this service. This means that there is a strong demand. Some customers want more privacy and more confidentiality. Does Liverpool has a more private co-working space, where there is less noise, but for people who wants total confidentiality it is maybe not the best place. But the establishment of private offices, would no longer have any connection with the co-working that puts forward the exchange and the sharing between people.

### SWOT DoES Liverpool



The competitive advantages of DoES LIVERPOOL is the many services offered by the company that differentiates them from others: free events like Maker Night and Maker Day and the new service offered by the company which is the child friendly.

## Conclusion

To conclude, I used the PORTER method to summarize my research. PORTER's five forces analysis, it is a tool for analysing competition on a market.

### Market Profitability Porters 5 Forces Model



#### **Competitive rivalry**

The coworking market in Liverpool is very competitive. Indeed, more than twenty offices are already on the market. All the companies offered the same services, so there is a basic offer for coworking spaces, which is: a workspace for coworking (with different range of price), a meeting room, a virtual office, a break room and Wi-Fi. Then some companies diversify their offers, which will be, most of the time, their competitive advantages.

#### **Threat of new entrants**

Depends on barriers to market entry, in this market there is none. So new entrants are regular. They can specialize in co-working spaces or they can just develop a new segment of coworking in their offer, like Pullman Liverpool which is a hotel, who recently open its coworking space.

#### **Bargaining power of suppliers**

In general, the coworking spaces rent premises that next they sublet. The risk here is that the price of rent increases and therefore coworking places prices will probably have to increase.

#### **Bargaining power of customers**

Customers expect:

- Flexible and low pricing between 100 and 250 pounds per month depending on the services and the time of use,
- A layout allowing a certain confidentiality while promoting the exchanges and the conviviality.
- Convenient accessibility (close to public transport, or parking),

- Shared resources (photocopiers, Internet, telephone, dining areas ...),
- Proximity to the place of residence.

### The cons

- Noise, lack of confidentiality and fear of loss of productivity
- The distance from the place of residence,
- The absence of a meeting room

### **Threat of substitutes**

The substitutes are the indirect competitors. These places will not fully meet the demand. indeed, the economic plan will reduce costs, but people will not find the friendliness of coworking places.

There are several types of places where people can connect to Wifi:

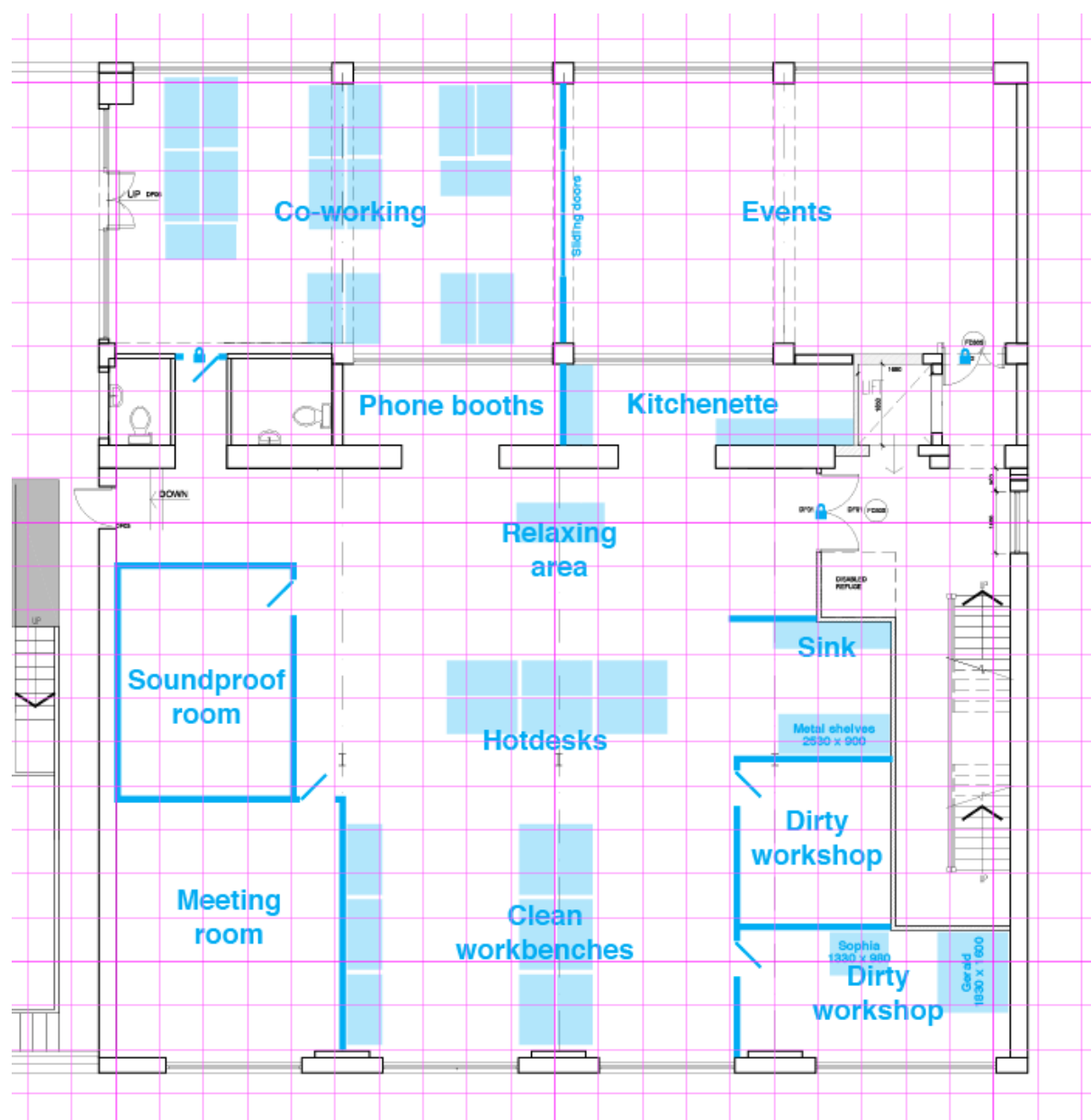
- Business Centers / Telecentres
- Hotel Lounges / Bar
- Internet cafes
- Libraries in Liverpool:
  - Sydney Jones Library
  - Central Library
  - Avril Robarts Library

The worker may consider spending a few hours there, but this does not provide a suitable framework for replacing an office.
- Home: The home has the advantage of limiting travel. The disadvantage is isolation.

To conclude, to stand out from competition, the space must at the same time, allow the exchanges and the conviviality while preserving the confidentiality. Moreover, to stand out, companies must offer different services with different price ranges to attract as many customers as possible.

## Appendices

### Appendice 1 : Does Liverpool Interior Plan





## Appendice 2 : Competitors prices table

Basecamp	<b>Resident 24h/24</b> Tout compris £160	<b>Hot Desk</b> (office hours) £100	No dedicated desk and no per day offer.				
Avenue HQ	<b>Private office</b> £500	<b>Dedicated office 24h/24</b> From £280	<b>Hot Desk</b> (office hours) £200	<b>10 day</b> £120	<b>1 day</b> £25	<b>AHQ Studios</b> £500	+3D Printers, laser
Regus	<b>Offices</b> £4.70 to 6.90 £ per day £141 per month mini	<b>Co-working</b> £4.10 to £6 £123 mini	Different price depending on the localisation.  Very low prices!!				
Signature Works	<b>Dedicated Desk 24/7</b> £175	<b>Hot Desk 24/7</b> £125	Possible to rent a private office but no price. + free business support + get a free pass day				
LAB by Capacity	<b>Personal Desk 12h</b> (access to mentors, workspace) £200	<b>Hot Desk</b> (same as personal desk) £150	<b>10 day</b> (2 sessions with mentors, 1 time meeting rooms) £80	<b>1 day</b> (co-working) £15	<b>OFFERS</b> - workspace (desks) - <b>mentoring by pro (Business Incubator)</b> - events - offices		
MAKE Liverpool	No price for the co-working space	<b>WORKSHOP</b> - 1 month: £40 - 3 month: £105 - 6 month: £180	Make Baltic Liverpool is in Elevator Studios (just a meeting room) + workshop + venue hire				
Unit3 Design Studio	<b>Dedicated Desk 24h/24</b> £150	<b>HOT DESK 1 day</b> £8	No private office  For architecture, graphic, design and creative media. + team of designers who can help.				
Pullman Liverpool	<b>Hot Desk 1 month</b> £160	<b>1 week</b> £60	<b>1 day</b> £20	No meeting rooms. + new service delivered by the Pullman hotel. They want to bring the concept of co-working in hotels.			

Baltic coworking space	Single desk 24/7 + free meeting £125					
HUB Squared	Private office 24/7 (7 people) £650	Dedicated desk 24/7 £100	Hot Desk 24/7 £100	1 week £40	1 day £20	
CoWorkz	Private office 24/7 £250	Dedicated desk 24/7 £150	Hot Desk 24/7 £125	1 week £45	1 day £10	Workshop + film studio
Space Ropewalks	Office space 24/7 £250	Dedicated desk 24/7 £180	Co-working £160	Meeting Room £60 half day		
2030hub liverpool	Permanent desk £200	Hot Desk £100	Executive meeting room £125 Half day : 65£			
Bruntwood	Serviced desk : 270£	Hot Desk £100 per month		one of the market leaders		
Clockwise	Private Office £260	Shared Workspace £175	Club membership 80£ (hot desk)			
Sensor City	Premium : dedicated hot desk £250	Executive unallocated hot desk £150	One day £20	Office space £25/ft <sup>2</sup> per year smallest : 140 ft <sup>2</sup>  £291 per month	Laboratory Specialized in technology  +event and meeting space	
Liverpool Science Park	Coworking 24/7 Full time £100	Coworking full time with meeting rooms £200	Office space too No prices	Access to university library		

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