

## Course Title

Entrepreneurship Development in Bangladesh

**Course Code**-BUS-341

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# LECTURE-2

## Topics

### Competitive Advantage

- ✓ Industry analysis and competitive analysis

# Competitive Advantage

- **Definition:** A **sustainable, long-term strength** or capability that enables a company to outperform its competitors.
- **Scope:** Broad and strategic.
- **Duration:** Typically more enduring, requiring significant effort and investment to establish.
- **Examples:**
  - Unique products or patents (e.g., Apple's design and ecosystem).
  - Cost leadership (e.g., Walmart's efficient supply chain).
  - Brand reputation (e.g., Coca-Cola's global recognition).
- **Purpose:** Provides a **foundation** for maintaining market leadership over time.

## Competitive Edge

- **Definition:** A **short-term, specific advantage** that helps a company gain an upper hand in a particular situation or market.
- **Scope:** Narrow and tactical.
- **Duration:** Often temporary and situational, as competitors can quickly adapt.
- **Examples:**
  - A marketing campaign that outshines competitors.
  - A limited-time technological feature.
  - Faster delivery times than competitors.
- **Purpose:** Gives an **immediate advantage**, often to respond to competitive pressures or seize market opportunities.

## Competitive Edge

The primary distinction lies in **time horizon and scope**:

- **Competitive advantage** is strategic and long-term.
- **Competitive edge** is tactical and short-term.

**Industry analysis** and **competitive analysis** are both tools 6 used in strategic planning, but they focus on different aspects of the business environment. Here's a breakdown of the differences:

### **Industry Analysis**

- **Definition:** The study of the overall industry in which a company operates, focusing on market dynamics, trends, and external forces.
- **Purpose:** To understand the broader market environment and identify opportunities, threats, and challenges within the industry.
- **Focus:** Macro-level analysis of:
  - Market size and growth.
  - Industry trends and lifecycle (e.g., emerging, mature, declining).
  - Regulatory environment and barriers to entry.
  - Key drivers of success and risks.
- **Frameworks Used:**
  - **Porter's Five Forces** (analyzing competition, buyer/supplier power, threat of substitutes, and barriers to entry).
  - PESTEL Analysis (Political, Economic, Social, Technological, Environmental, Legal factors).
- **Example:** A study of the renewable energy industry to determine market potential, government incentives, and emerging technologies.

# Competitive Analysis

- **Definition:** The assessment of specific competitors to understand their strengths, weaknesses, strategies, and market positioning.
- **Purpose:** To gain insights into the direct competition and develop strategies to differentiate and outperform rivals.
- **Focus:** Micro-level analysis of:
  - Competitors' products/services.
  - Pricing, marketing, and sales strategies.
  - Market share and customer base.
  - Strengths, weaknesses, opportunities, and threats (SWOT analysis).
  - Unique Selling Propositions (USPs) of competitors.
- **Frameworks Used:**
  - SWOT Analysis.
  - Benchmarking.
  - Competitor profiling.
- **Example:** Analyzing Tesla's market strategy to better compete with its electric vehicle offerings.

# Competitive Analysis

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Key Differences

Aspect	Industry Analysis	Competitive Analysis
<b>Scope</b>	Broad (entire industry)	Narrow (specific competitors)
<b>Focus</b>	Market trends, forces, and dynamics	Rival strategies and positioning
<b>Purpose</b>	Strategic, long-term understanding	Tactical, action-oriented insights
<b>Tools/Frameworks</b>	Porter's Five Forces, PESTEL	SWOT, Benchmarking, Competitor Profiling
<b>Example Question</b>	"Is this industry growing?"	"How is Company X capturing market share?"



## Competitor Analysis

**Competitor analysis** is the process of evaluating your competitors to understand their strengths, weaknesses, strategies, and market position. It helps businesses identify opportunities to differentiate themselves, refine their strategy, and stay ahead in the market.

### Objectives of Competitor Analysis

- 1. Understand the competitive landscape:** Identify who your direct and indirect competitors are.
- 2. Evaluate strengths and weaknesses:** Compare competitors' products, services, and strategies to your own.
- 3. Identify opportunities:** Spot gaps in the market or areas where you can outperform competitors.
- 4. Anticipate threats:** Predict competitors' moves and respond proactively.

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