

# Direct / indirect / potential competitors and their impact



LECTURE  
SUMMARY

## Covered in this lecture:

The differences between the four  
main types of competitors

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*Taught by:*



- ▶ There are four types of competitors:
- **Direct**
  - they're going after the same customer group as you
  - they're solving the same problem as you
  - customers have to make a decision between you and them
- **Indirect**
  - they solve the same problem as you, but in a different way
  - they have a different target customer group, but which might overlap with yours
- **Potential**
  - they offer something to the same target customer group
  - they don't address the same problem as you
  - they're also called "peripheral competitors"

## ● Substitute

- they solve the same core problem
- they're not angled and delivered the same way at all
- they don't generally target the same people
- customers could substitute your product with theirs

## ► You should be the most concerned with direct competitors

- Be competitive with direct competitors
- Make sure you don't lose too many customers to indirect competitors
- Make sure the potential customers can't do the same thing easily
- Be at least better than substitute competitors

*See you next lecture!*