

ENGG 683 – Competition

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Competition

Competition – if not you, where would your target customers get an alternative.

✓ Superior value at a competitive price

✓ Acceptable value at a lower price



* Getty Images

Competition

Direct Competitors

Emerging
Competitors

Indirect
Competitors

GOAL

- Understand the fundamental need that customers are fulfilling.
- Think of substitutes!

How are you different than those alternative?

- Better technology
- Better process
- Cheaper
- More accessible



Some would ..

1. Believe they have NO competition!
2. Provide the customers with product sheet and let them compare!



** Bill Aulet

Tips

- Develop a deep understanding of your competition
- Find a clear differentiation
- Understand the customer's priority in needs
- IF
 - You are entering an existing market – you have 0% of the market and your competitor already has a share and is well established
 - New – why switch from whatever alternative there is or simply do nothing?

Competition – How to evaluate them?

About you:

- What is your core advantage?

Your Competitor:

- Who are your competitors?
- What market share do they have?

Their Customer:

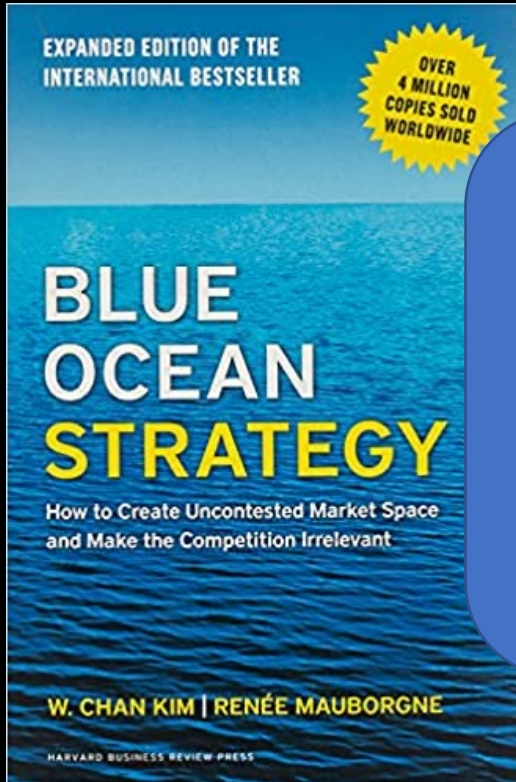
- Who are their customers?
- What is their focus?
- What do they like about these companies/competitors?
- What do they dislike?

Blue Ocean Strategy

- By W. Chan Kim and Renee Mauborgne
- Book that sold over 4 million copies published in 46 languages
- Best seller across five continents
- Recognized as one of the most iconic and impactful strategy books ever written

Presents a systematic approach to making the competition irrelevant and outlines principles and tools any organization can use to create and capture their own blue oceans.

Create market space making competition irrelevant



Uncontested
part of the
ocean

Bloody part
of the ocean
with
competition

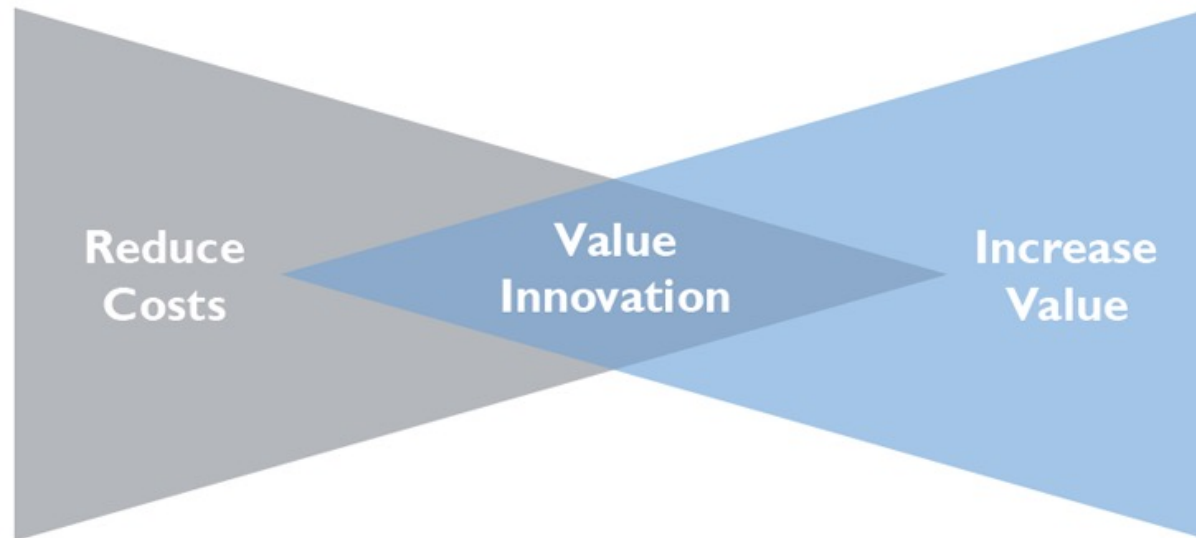
Value Curve Model Four Actions Framework

ELIMINATE

Which factors can you eliminate that your industry has long competed on?

REDUCE

Which factors should be reduced well below the industry's standard?



RAISE

Which factors should be raised well above the industry's standard?

CREATE

Which factors should be created that the industry has never offered?

Example: Cirque du Soleil

- What is it?
- When did it start?
- How many paying customers?
- Would you have expected them to succeed?



ACTIVITY – Breakout rooms

M U R A L

Cirque Du Soleil – Four Action Grid

ELIMINATE

- Star Performers
- Animal shows
- Aisle Concession Sales
- Multiple show arenas

RAISE

- Price
- Unique Venue

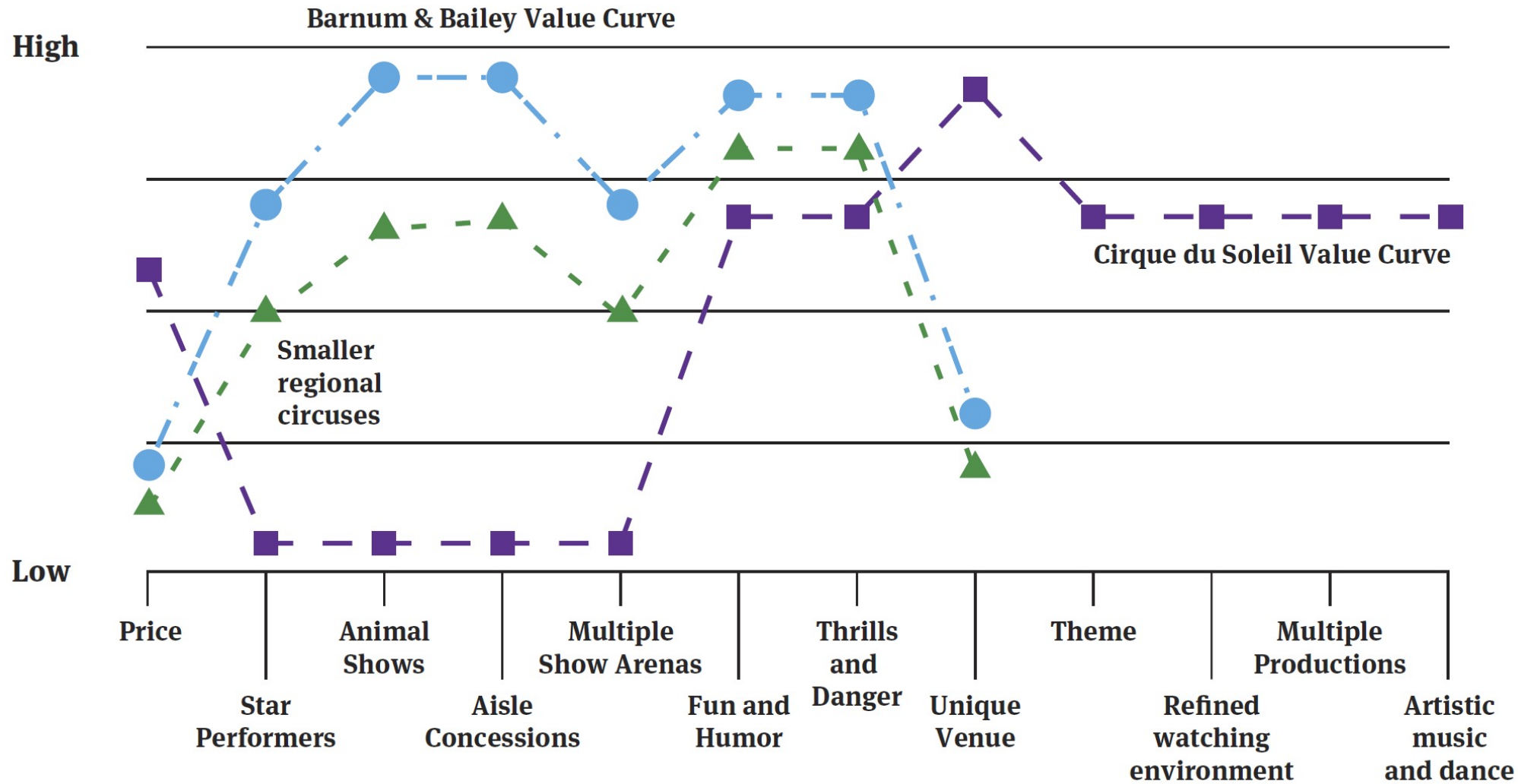
REDUCE

- Fun and Humor
- Thrill and Danger

CREATE

- Themes
- Refined Environment
- Multiple Productions
- Artistic Music and Dance

Cirque du Soleil Strategy Canvas



THANKS!