

**Business plan**

# **Market analysis & Competitors analysis**

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# Agenda.

- Introduction
- Market analysis: methods and tools for doing a competitors analysis

## Market Analysis

Current and future development of the sector/segment (quantitative and qualitative assessment)

### Market size & market development

Current and future development of the sector.

### Customer Profile & target market

Segment/Customer profile.

### Competitors Analysis

Current market position of 3-5 most important competitors

#### Important elements

- Size (turnover) of the sector
- Growth rate of the sector
- Economic development and its trends
- Technology development
- Relevant political, social, legal and environmental factors (PEST analysis)

#### Important elements

- Client Profile (segmentation)
- Jobs to get done/Gains/Pains
- Size of the target market

#### Important elements

- Competitors' products/services description
- Benchmarking
- Competitors' strategies and practices (distribution channels, price formation, advertising, service)
- Competitive intensity (5 Forces)

## Competitive Analysis: Benefits

- Identify the strengths and weaknesses of your own organization, as well as those of your competitors;
- Identify potential moves that competitors might make that could endanger the organization's position;
- Highlights your competitive advantage compared with competition;
- Understand how customers and potential customers use competitions' products and services;
- Support your strategic decision making process;
- Allow the identification of market opportunities.

### Elements of Competitive Analysis:



## **Competitive Analysis: Focus**

### **Direct competitors:**

Companies selling essentially the same product and services as your company

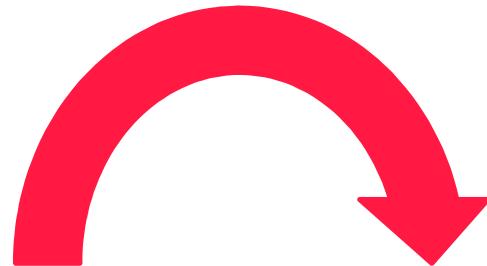
### **Indirect competitors:**

companies which aren't selling the same goods but which sell goods which could satisfy the same need as your product does. It also includes companies in different industries that could switch their focus and start to compete with you

### **Who are your competitors?**

- What customer needs and preferences are you competing to meet?
- What are the similarities and differences between their products/services and yours?
- What strategies do they use to meet customer's needs?

## Competitive Analysis: understand the competitor's market



### Market Analysis

Current and future development of the sector/segment.

### Why the context is relevant?

Customers' or users' actions are limited by its surrounding environment (political, economic, etc.) and influenced by personal context (family, friends, etc.). Therefore, in order to find deep customer/users needs, we also need to understand relevant external factors.

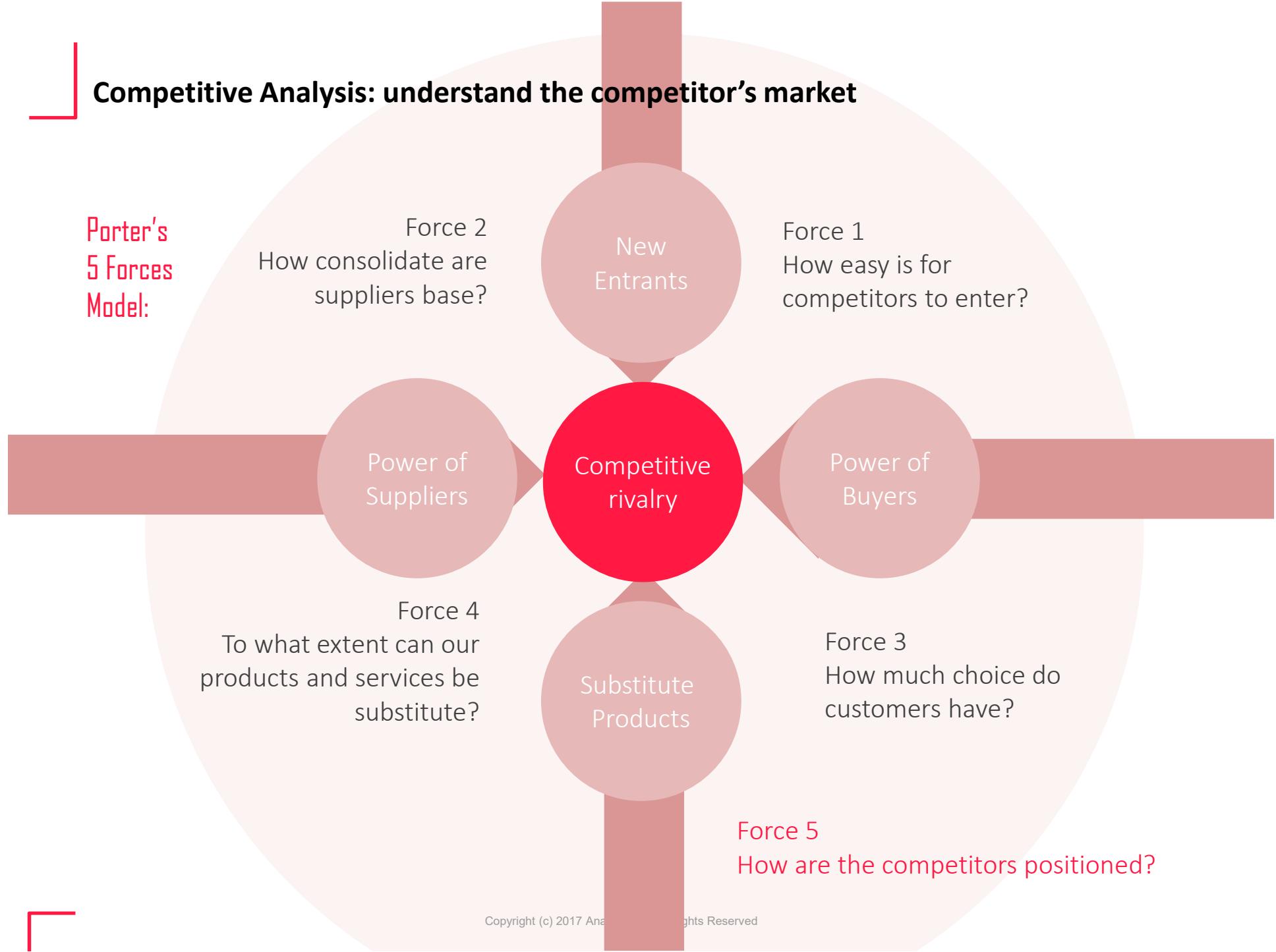
## **Competitive Analysis: understand the competitor's market**

### **Porter's 5 Forces Model:**

- The model was proposed by Michael Porter in 1980 in his famous book “Competitive Strategy”;
- It provides a structured analysis of:
  - Threats of new entrants;
  - Bargaining power of buyers;
  - Bargaining power of suppliers
  - Threat of substitute products or services;
- It assesses the intensity of rivalry among existing organizations.

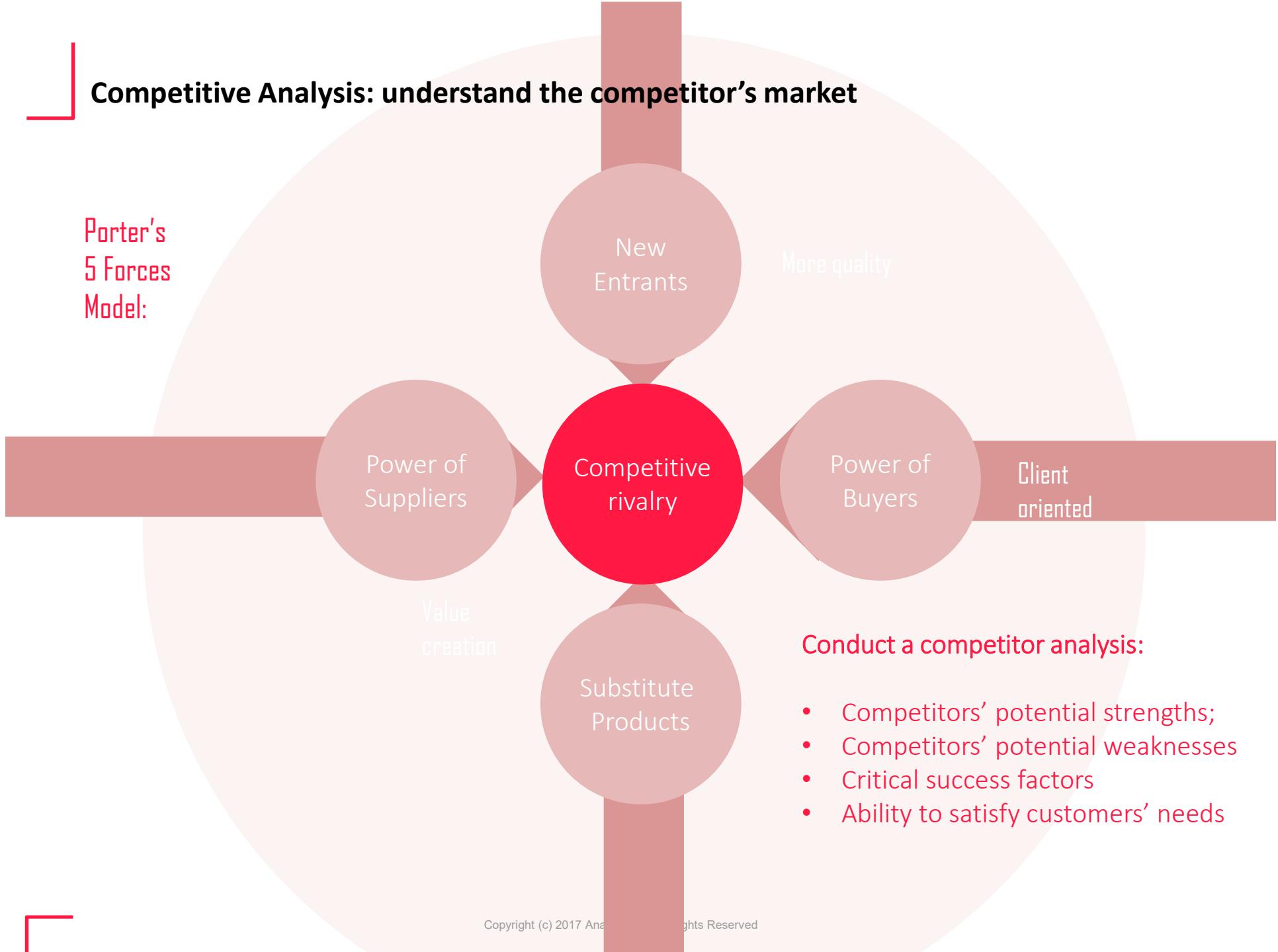
## Competitive Analysis: understand the competitor's market

Porter's  
5 Forces  
Model:



## Competitive Analysis: understand the competitor's market

Porter's  
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Model:



## **Competitive Analysis: understand the competitor's market**

### **COMPETITORS ANALYSIS:**

For each competitor in your analysis, you should try to identify what their market objectives are, and determine what types of strategies they are using to achieve them. Are your competitors trying:

- To maintain or increase market share?
- To maximize short-term or long-term profits?
- To introduce technologically improved products into your market?
- To establish themselves as the market leaders?
- To protect their market share under attack by strong competition?
- To develop new markets for existing products?



## The company & the market analysis: type of information

### What type of information should you look for?

- Reputation
- Service/product features
- Service/product quality
- Competitive advantage
- Vertical integration
- Cost position
- Services
- Price policy
- Customer relationship
- Channels
- Marketing strategy

## Market & Competitor Analysis: Benchmarking Table

Benchmark for comparisons:

- “Best-Practice-Companies”/“Best-In-Class-Companies”

Comparison of:

- Products
- Services
- Operational methods and processes

Objectives:

- Answer to the question: What characterizes the competitors?
- Identification of own weaknesses and strengths

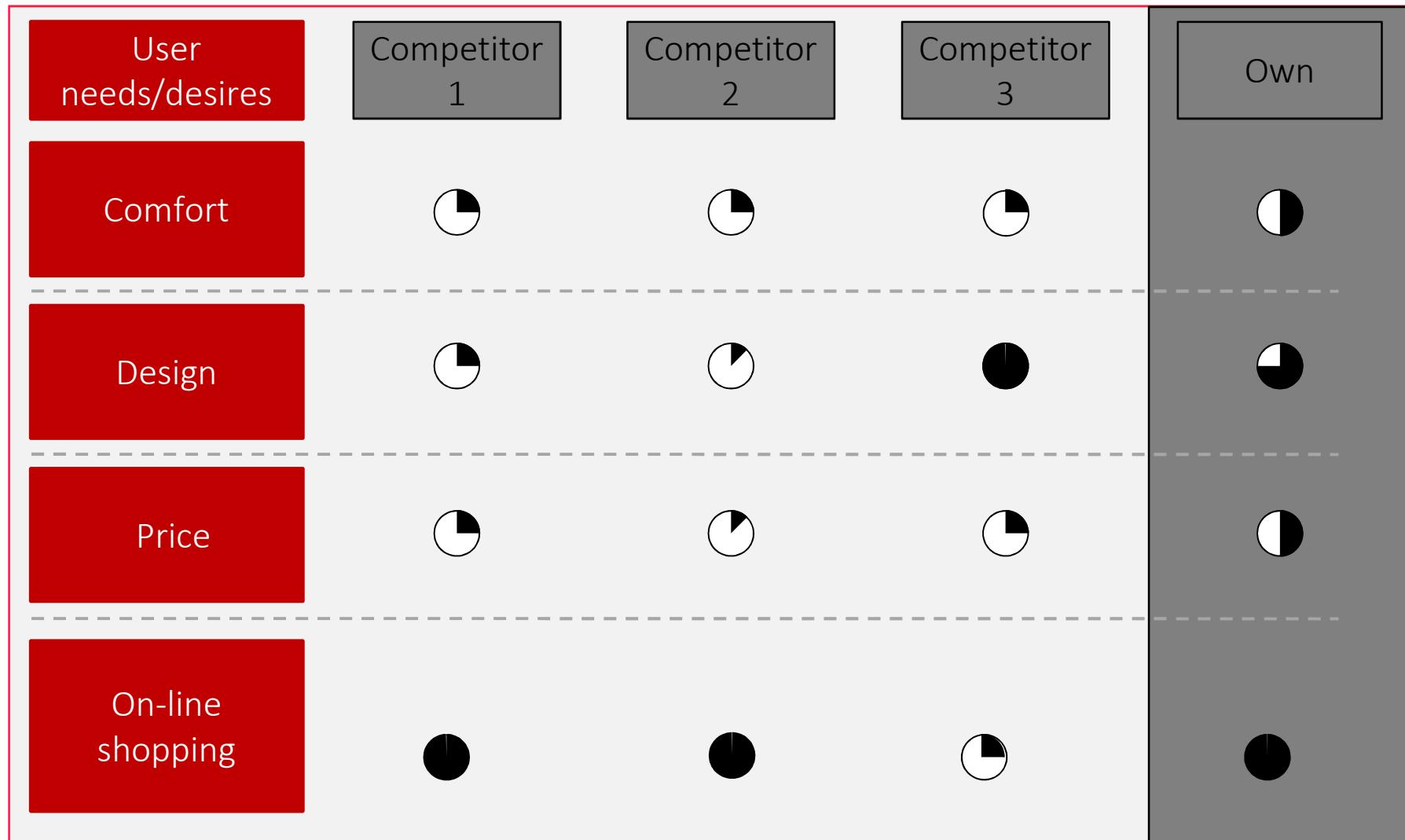
## Market & Competitor Analysis: Benchmarking Table

Who sells, produces?	→	Competitors
What products they sell?	→	Competing products
How much they sell?	→	Market share
Where they sell?	→	Distribution channels
How they sell?	→	Price and selling conditions

## Market & Competitor Analysis: Benchmarking Table

Products / Services	Competitor 1	Competitor 2	Competitor 3	Own
Product Performance				
Market share				
Distribution channels				
Price and selling conditions				

## Market & Competitor Analysis: Competitive matrix





## Summary

- Competitors analysis can help you to understand how you compare to your competition in key strategic areas;
- It includes determining competitors' objectives, strategies, strengths and weaknesses;
- It is useful for finding your strategy, market opportunities, and better align your unique value proposition with your customers' needs and expectations.

**Thank you  
for your attention!**

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## The company & the market analysis

### COMPETITORS ANALYSIS:

#### **Who are your competitors?**

What products or services do they sell?

What is each competitor's market share?

What are their past strategies?

What are their current strategies?

What type of media are used to market their products or services?

How many hours per week do they purchase to advertise through the media used in this market?

#### **What are each competitor's strengths and weaknesses?**

What potential threats do your competitors pose?

What potential opportunities do they make available for you?