

Mapping your competitive position

In order to identify your position in a market, or where you want to position yourself, you need to consider your competition.

This tool allows you to rank yourself against key competitors against a variety of dimensions, to see where your business/product/service sits against those competitive offerings.

In the beginning, when looking at your product or service in comparison to potential competitors, start small. You want to specify the boundaries you're interested in operating within early. Start by picking a few competitors who might be in your specific market segment, as opposed to the indirect competitors, who are in the same sector as you, but selling a different solution (you can look at these competitors later). For example, if you are selling a digital document storage solution and you target individuals, such as university students or designers, you should be considering competing products that also target this same demographic, as opposed to an indirect competitor who sells an online document storage solution to large companies with many employees.

You want to compare your offering to competitors based on the criteria that are most important and relevant to your customer. This may be, for example:

- Quality
- Brand
- Location of sales
- Price
- Service quality
- Sustainable practices

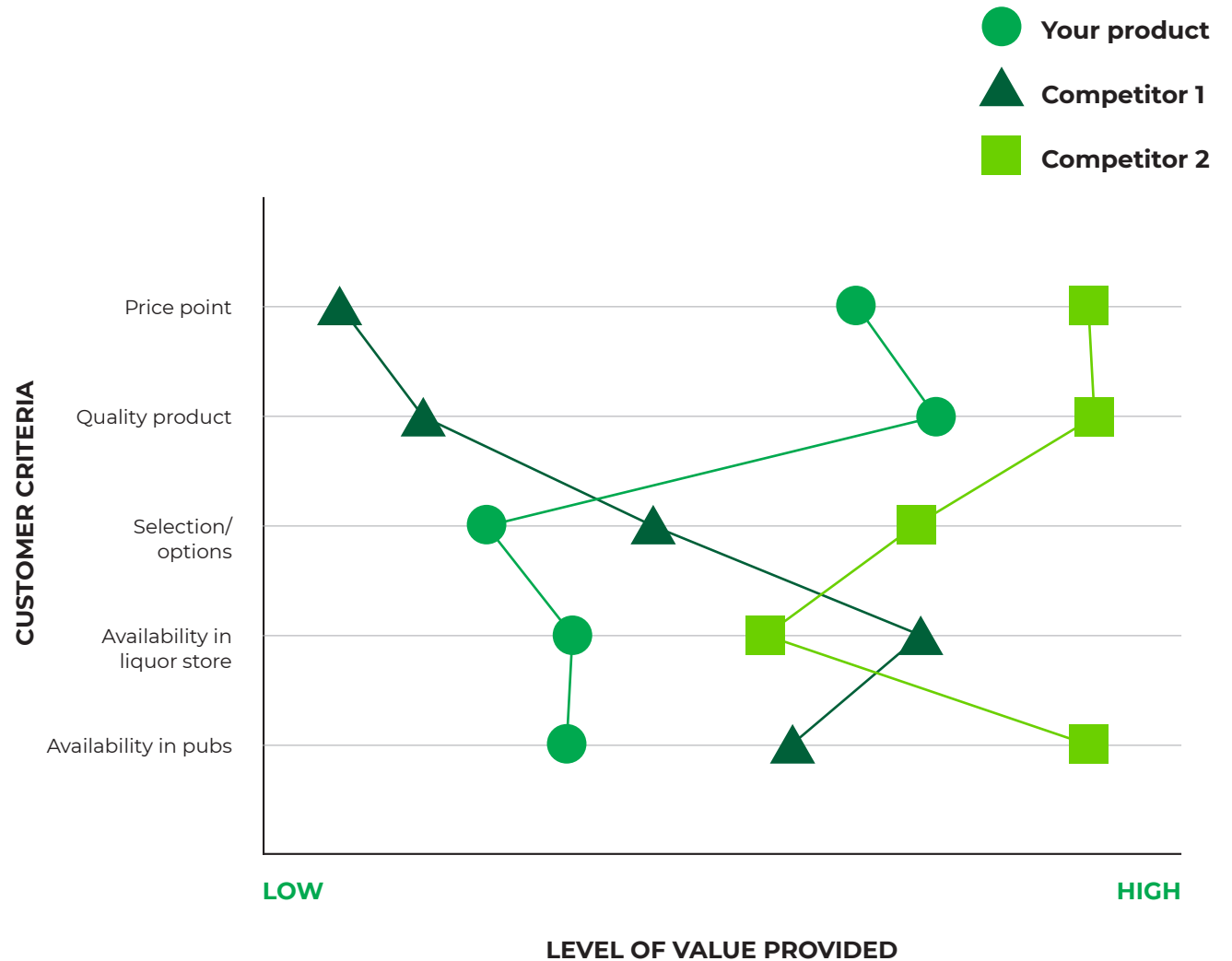
There are no wrong answers here, this tool is just an input to assist your decision making about how you can create and preserve competitive advantage and a differentiated value proposition. It also identifies comparative points of weakness to overcome with respect to the advantages competitors may have over you. The ultimate output is what's called a competitor value curve.

Instructions:

1. Select a possible target market (e.g. City, state or country)
2. Select the criteria you believe are most important for your target customer (e.g. price, quality, brand, location of sales)
3. Select up to 3 competitors who are selling within the same market segment (in your chosen target market)
4. Place the criteria you've chosen onto the Y axis of the graph and place your name, then the competitors names on the X axis
5. Doing the research you need to understand your competitors' position in each of those criteria, print this template out and plot yourself and your competitors against those criteria (objectively!)
6. Look at where your product sits in comparison to your competitors – does your product rank where you'd like it to? Is there a difference between yours and your competitors' offerings? What are your points of weakness? How might you overcome these?

Example of a completed competitive analysis

Micro-brewery exporting to the UK



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