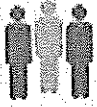


dealers from all over the country, and online dealers from around the world, as that is where your potential customers shop now.

## ASSESS THE COMPETITION

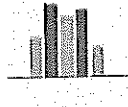
When preparing the competitive analysis portion of your business plan, focus on identifying:

### Who



Who are your major competitors?

### What



On what basis do you compete?

### How



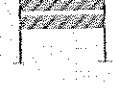
How do you compare to the competition?

### Future



Who are your potential future competitors?

### Barriers



What are the barriers to entry for new competitors?

## Competitive Position

It is tempting to want to judge your competition solely on the basis of whether your product or service is better than theirs. If you have invented a clearly superior widget, it is comforting to imagine that widget customers will naturally buy your product instead of the competitors' and the money will roll in.

Unfortunately, many other factors will determine your success in comparison to other manufacturers of widgets. Perhaps their brand name is already well-known. Perhaps their widgets are much cheaper. Perhaps their distribution system makes it easier for them to get placement in stores. Or maybe customers just like the color of your competitors' packages better.

The objective features of your product or service may be a relatively small part of the competitive picture. In fact, all the components of customer preference, including price, service, and location, make up only half of the competitive analysis.

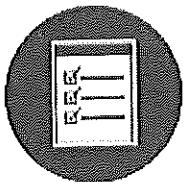
The other half of the equation consists of examining the internal strength of your competitors' companies. In the long run, companies with significant financial resources, highly motivated or creative personnel, and other operational assets will prove to be tough, enduring competition.

“

You can't be 5% or 10% better than the competition. You have to be 10 times better. There's a huge lethargy factor — you don't get people to change their bank account, or whatever you're trying to get them to change, if you're 10% better; you've got to be 10 times better.”

*Andrew Anker*  
*Venture Capitalist*

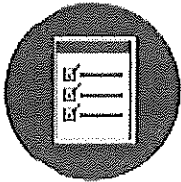
## Thoroughly Evaluate Your Competition



*Two Competitive Analysis worksheets on pages 124–125 help you evaluate your competitive position in terms of both customer preference and internal operational strengths.*

The worksheets enable you to give greater or lesser importance to each competitive factor, depending on the significance of those particular aspects. To complete each worksheet, give each factor listed a maximum possible number of points, ranging from 1 to 10, with 1 being least important to your overall target market and 10 being the most important. Place the maximum number for each factor in the Maximum Points column.

**Competitive Analysis: Customer Perception Factors**



List below the current market leaders and the approximate percentage of the market each one commands.

Competitor	% of Total Revenues	% of Total Units Sold	Trend of Market Share (increasing or decreasing?)
1.			
2.			
3.			
4.			
5.			

Which competitor(s), if any, have historically been the market leader(s)? \_\_\_\_\_

Which competitors have increased market share substantially in the last three years? \_\_\_\_\_

Is overall competition increasing, stable, or decreasing? \_\_\_\_\_

Briefly describe the most important characteristics of the market leader(s):

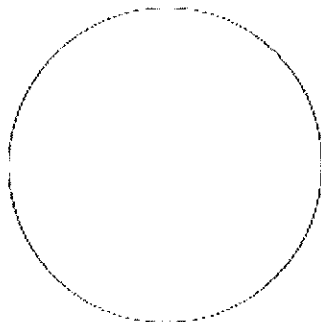
Competitor #1: \_\_\_\_\_

Competitor #2: \_\_\_\_\_

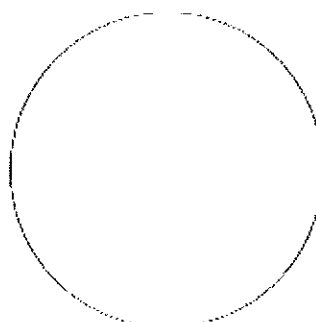
Competitor #3: \_\_\_\_\_

Divide the pie charts below to indicate market distribution.  
(These charts can be included in your written plan for visual interest.)

Market Share by Revenues  
(estimate)



Market Share by Volume  
(estimate)





### Online Marketing Tactics



**Website:** How will your website promote your products or services or add credibility to your business? What are the primary objectives of your website in marketing and selling your products and services? \_\_\_\_\_

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**SEO/SEM:** Will you drive traffic to your website using either unpaid or paid search engine marketing? If so, how? \_\_\_\_\_

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**Email Newsletters:** Will you create an email newsletter to connect with your customers and prospects? What type of content will you include? How often will you send the newsletter out? How will you build your mailing list? \_\_\_\_\_

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**Blogs:** Will you write a blog? What blogs will you actively participate in to increase your visibility? \_\_\_\_\_

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**Social Media:** Will you use social media such as Facebook, Twitter, YouTube, LinkedIn, Pinterest, and the like, to spread the word about your products and services, and to engage customers and prospects? \_\_\_\_\_

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**Other Online Advertising:** Will you use paid advertising on other websites or portals? If so, which ones? \_\_\_\_\_

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**Other Online Tactics:** Will you use other online vehicles such as podcasts, video, daily deals, or review sites? If so, how will you use them? \_\_\_\_\_

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