

# COMPETITOR ANALYSIS

## Introduction

### Competitor Analysis

...is another technique that you could use in your *annual* planning presentation .

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## Five steps for doing a competitor analysis:

Identify...

- 1) The rivals.
- 2) The rival's strengths & weaknesses
- 3) Each one's barriers to gain more market shares
- 4) Solutions for your firm
- 5) How the rivals will react

Simple Competitor Analysis (see below)

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**MY COMPANY(Quick Seed Co)**

**ABC COMPETITOR'S**  
Strengths (+) and Weaknesses (-)

**XYZ COMPETITOR'S**  
Strengths (+) and Weaknesses (-)

**TARGET MARKET(S)**

- High Altitude
- Medium Altitude
- Low Altitude

- Same as My Company but focus specifically on high altitude

- Same as My Company but also other price-sensitive segments

**PRODUCT**

- Strong brand name (+),
- high quality products (+)
- good after sales services (+)

- Strong brand name (+).
- Long delivery cycle (-).
- No after sales services (-)

- Comparatively low quality products (-).

**PLACE**

- Plenty of NGOs, government' Agro-dealers and direct sales across the country (+).
- No access to other major resellers in town (-)

- Sell through Agro-dealers in town (+).
- Direct sales (+)

- Excellent online purchasing channel (+).
- Work closely with over 80% of the major agro-dealer in town (+).

**PROMOTION**

- Strong sales force (+).
- Weak Marketing department (-)

- Rely on local Agro-dealers for advertising and promotions (-).
- No local sales force in territories(-)

- Highest Marketing budget (+).
- Worked out deals with agro-dealer to do joint promotions (+)

**PRICE**

- Highest price in town (-)

- High price for individual purchase (-) but relatively cheap for volume purchase (+)

- Best price in town (+).
- Bundle pricing also available (+)

**POTENTIAL COMPETITIVE BARRIERS**

- Inability to decrease cost (-) and gain access to other sales channels (-).
- Best quality (+) and sales force (+)

- Can only rely on corresponding Agro-dealers to act (-).
- Strong presence in the segment.

- Economic of scales and low price (+).
- Inability to sell if price is not a factor (-)

**LIKELY RESPONSE(S)**

- Establish relationship with other agro-dealers in town and hire sales representatives.

- Work more closely with Agro-dealers and
- give them more incentives to promote the products.

- Do more promotions
- launch high quality product lines.
- If My Company tries to get into the agro-dealer channel, cut price and give incentive to agro-dealers stores.

MY COMPANY(Quick Seed Co)

ABC COMPETITOR'S Strengths (+) and Weaknesses (-)

XYZ COMPETITOR'S Strengths (+) and Weaknesses (-)

**Levels of competition**

- Brand competition
- Industry competition
- Form competition
- Generic competition

**Strategic orientation**

- Product/service quality
- Level of technological sophistication
- Geographic scope
- Manufacturing methods
- Hours of operation
- Product features/Product mix
- Customer services

# Competitors Position in the Market

| Strength & Status            | Example | Performance  | Strategic options/opportunities available |
|------------------------------|---------|--|---|
| Dominant<br>( Market leader) |         | <ul style="list-style-type: none"> <li>•Excellent performance</li> <li>•Controls the competition</li> </ul>                                | Wide choice                               |
| Strong<br>( Challenger)      |         | <ul style="list-style-type: none"> <li>•Good performance</li> <li>•Can act independently from competition</li> </ul>                       | Many                                      |
| Favorable<br>(follower)      |         | <ul style="list-style-type: none"> <li>•Above average performance</li> <li>•Minimal effect on competition</li> </ul>                       | Several<br>More than average              |
| Tenable<br>(follower)        |         | <ul style="list-style-type: none"> <li>•Fair performance</li> <li>•Breakeven</li> <li>•Negligible effect and competition</li> </ul>        | Fair options<br>Less than average         |
| Weak<br>(follower)           |         | <ul style="list-style-type: none"> <li>•Unsatisfactory performance but has potential</li> <li>•No effect on current competition</li> </ul> | Handful<br>Could be developed             |
| Nonviable<br>(follower)      |         | <ul style="list-style-type: none"> <li>•Unsatisfactory performance without hope for improvement</li> </ul>                                 | None                                      |

## **Competitor Analysis must cover**

a) Your company position

b) Rivals' position

... in terms of strengths and weaknesses among the marketing mix and other marketing aspects.

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It will also give your company management chance to : ...

- 1) identify *opportunities* for growth
- 2) anticipate the resulting competitive *actions*.
- 3) design the competitive *intelligence* system
- 4) design *competitive* strategy
- 5) balance *customer* and *competitor* orientation

End