The Four-step Competitor Analysis

## The four-step competitor analysis

Knowing who you'll be up against before you start exporting will give you some valuable insights into your competitors' capability, giving you the opportunity to strategically position what your business has to offer.

The goals of a competitor analysis are to minimise direct competition either by choosing vulnerable competitors or by pitting strength against weaknesses.

Use the four-step competitor analysis below to evaluate just how strong your competition is.

###  1. Work out who your competitors are

Your competitors will fall into three categories:

1. **Direct competitors** are businesses that offer identical or similar products or services as you – to the same customers via the same market channels.
2. **Indirect competitors** are businesses that offer products or services that are close substitutes. These competitors usually target your market with the same or similar value proposition – but deliver a different product.
3. **Future competitors** are existing businesses that aren't in the marketplace yet – but could enter at any time.

### 2. Find out how your competitors operate

You'll learn valuable information about your competitors online. Tap into resources such as news articles, industry journals, analyst reports, the company's website, marketing collateral, and company reports.

You may need to commission your own professional industry-based research by visiting your export destination in person or attending networking events and trade shows to collect data on your competitors.

Key points you'll need to know about your competitors:

* What is the nature of the business?
* What are its core strengths?
* What are its weaknesses?
* What are the competing product and/or services marketing strategies in terms of;
	+ scope, positioning and goals?
	+ purpose and functionality?
	+ costs?
	+ target markets?
	+ market entry strategy?
	+ market share and level of sales?
	+ business rank among other competitors?
	+ sales volume?
* What types of packaging, presentation, advertising and promotion techniques do they use?
* What delivery methods do they use?
* What sort of after-service support do they provide, and how do they provide it?

### 3. Compare and see how you match up

Compare and contrast your competitor's business product and/or service with your own to understand where you're both positioned within the market. A comparative analysis will provide valuable insights for your strategic plan – and signal how much of a threat your competitors are likely to be.

### 4. Review and repeat

Treat this document as a dynamic part of your business process and review this analysis every 6-12 months to stay up-to-date with current and new competition.

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