ENGINEERING ENTREPRENEURSHIP AND IPR

Module 2

Module 2

Problem and solution canvas preparation
- ❑ Orientation and canvas introduction
- ❑ Customer needs assessment
- ❑ Market segmentation
- ❑ Value proposition
- ❑ Competitive analysis
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Customer profiling
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- ❑ Customer segmentation
- ❑ Customer profiling
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Competitor analysis
- ❑ Identify competitors
- ❑ Competitor profiling
- ❑ SWOT analysis
- ❑ Market positioning
- ❑ Customer feedback and reviews
- ❑ Pricing analysis
- ❑ Differentiation strategy
- ❑ Benchmarking and improvement

What is Competitor Analysis?

❑ Researching and evaluating competitors to understand their strengths, weaknesses, and market positioning.

❑ Competitor tracking provides you with concrete and actionable insights that can help you

- *improve your product or service*
- *discover growth opportunities*
- *attract new customers and so much more.*

❑ **"A competitive analysis is a strategy where you identify major competitors and research their products, sales, and marketing strategies. By doing this, you can create solid business strategies that improve upon your competitor's."**

❑ The purpose of competitive analysis is to discover:

- *who are your competitors,*
- *what are their strengths and weaknesses,*
- *benchmarking,*
- *what type of customers they have,*
- *what marketing strategies they use… etc*

Benefits of Competitive Analysis

1. Performance evaluation

The most obvious benefit that you can get from the competitive analysis is finding out *how your brand performs in comparison to your competitors*. It may be that the situation is better than you thought, but there's also a possibility it can be worse. In both cases, it's useful to have insightful and actionable data to guide your future business decisions.

2. Product development

By analyzing the competitors' products and customers' reactions to the products, you *can identify potential improvements and changes that would put your product ahead of the competition*.

This is especially important in highly competitive industries. New ideas and innovation are key in getting ahead of your competitors. And what better way to get new ideas than to monitor what (your and competitor's) customers want and need.

3. Industry trends

By monitoring what's happening in your industry as a whole, *you can spot trends in the making.* This approach can help you create strategies that *will give your brand a competitive advantage*.

Nowadays, with social media, trends are constantly changing. That's why *keeping an eye on what's going on and choosing the right time to jump on the right trend can be beneficial.* Offering your customers "the next best thing" can help you get ahead of your competitors and position you as an industry leader.

4. Market newcomers

Aside from trends, competitors' analysis helps you spot market newcomers. For instance, take the social media app TikTok. The app is only a few years old but is creating quite a problem for the members of the "old social media guard". More and more young people are switching to TikTok exclusively because of its innovative format. By monitoring competitor activity and what's going on in your industry, you'll be able to detect

5. Content marketing

If your content is not engaging enough for your target audience or you're just out of ideas, take a look at what your competitors are doing. That doesn't mean you should copy what they're doing, but it can give you some inspiration.

With monitoring competitor activity you can see:
- *what topics they're covering*
- *which of these topics perform the best,*
- *what type of content they're producing,*
- *where do they share their content...*

6. Learn from (other's) mistakes

The best way to *avoid making mistakes is to learn from the previous ones.* Especially if someone else did them. Keep in mind that crises happen all the time, but *make sure you're not repeating the same mistakes your competitors already did*.

A good strategy is to look at how your competitors handled their crises. If their response was successful, you can add it to your crisis communication plan.

7. Search Engine Optimization (SEO)

❑ Increase high-quality links to your website
❑ Improve your website's ranking on search engines (like Google)
❑ Boost brand awareness, especially for small businesses

And the best part? SEO is a cost-effective (even free!) strategy to:-

❑ Increase online visibility
❑ Drive organic traffic to your website
❑ Reach your target audience

By optimizing your website and content for search engines, you can reap long-term benefits and stay ahead of the competition!

How to Conduct a Competitive Analysis

Competitive analysis needs to *be based on data and facts*, not guessing. It's not enough to glance at the competitor's social media and call it "competitor analysis".
What information you should be looking for in the first place?

- Who are your competitors?
- What products do your competitors offer?
- Which sales tactics do they use and what are their results?
- What do their pricing and perks look like?
- How do they market their products?
- What is their content strategy?
- Which technology stack do your competitors' use?
- What is the level of engagement on their content?
- How do they promote marketing content?
- What are their social media presence, strategies, and go-to platforms?
- What are their strengths, weaknesses, opportunities, and threats?

Methods for Identifying Competitors

1. *Online Research-Begin* by searching for the product or service category on **search engines**. Explore search results, advertisements, and business listings to uncover potential competitors.

    Example: Searching for "online grocery delivery India" may reveal competitors such as BigBasket, Grofers, and Amazon Fresh.

2. *Customer Insights-Conduct surveys or interviews* with existing customers to understand what alternatives they considered before choosing a particular product or service.

    Example: A survey for a new apparel brand may indicate that customers often compare it with competitors like Myntra, Ajio, or H&M.

3. *Industry Reports-* Analyze industry reports, trade publications, and market studies to identify key players and emerging competitors.

    Example: Reports on the fintech sector in India might highlight competitors such as PhonePe, Paytm, and Google Pay.

4. *Social Media and Reviews-* Monitor social media platforms, customer reviews, and forums to understand public perceptions of competing businesses.

    Example- Twitter Conversation about electric vehicles in India

1. Identify Competitors

There are three main types of competitors:

1. **Direct competitors** – brands that are offering the same product/service as you and are targeting the same audience.
   Example: If you sell branded clothing in Kerala, another company selling similar branded clothing in the same area would be a direct competitor

2. **Indirect competitors** – brands that are offering the same product/service but have different goals
   Example: If you sell bottled water, a company offering reusable water bottles could be considered an indirect competitor as they address the need for hydration, but with a different product.

3. **Replacement competitors** – brands that are offering different product/service than you, but customers might choose them instead of you
   Example: If you sell traditional hand soap, a company offering liquid hand soap with similar functionality could be considered a replacement competitor.

When conducting competitive analysis, make sure you focus primarily on the ones that are your direct competition. No matter how small your industry is, don't assume that you don't have competitors

2. Competitor Profiling

❑Competitor profiling is the *process of systematically analyzing competitors to understand their strengths, weaknesses, strategies, and market position.*

❑This helps businesses make informed strategic decisions.

❑This *involves gathering in-depth information* about each competitor.

❑**Importance of Competitor Profiling**

- *Identifies gaps in the market.*
- *Helps refine pricing, marketing, and product strategies.*
- *Improves decision-making by learning from competitors' successes and failures.*
- *Assesses potential threats and opportunities.*

❑ **Tools for Competitor Profiling:**

- *Website Analysis***:** Study their website's structure, content, and user experience.
- *Social Media Monitoring***:** Evaluate engagement levels, campaigns, and customer feedback.
- *Customer Reviews:* Check review platforms like Google Reviews, Yelp, and Amazon.

Steps to conduct Competitor Profilling

1.Create a Competitor Matrix

❑ A competitor matrix, also known as a competitor grid, organizes your findings into an easily understandable format. It helps compare competitors side-by-side and spot larger market trends.

❑ Steps to Create a Competitor Matrix:

- ▪ *List Competitors*: Devote one row or column to each identified competitor.
- ▪ *Choose Categories*: On the other axis, include data points or categories to analyze, such as product range, pricing strategies, customer demographics, and marketing tactics.
- ▪ *Add as Needed*: Be flexible to add more categories as you progress through your research.

Case Study: Swiggy vs. Zomato in India

Swiggy and Zomato, leading food delivery platforms in India, can be compared using a competitor matrix. Categories such as delivery speed, customer loyalty programs, partnerships with restaurants, and pricing of delivery charges reveal distinct competitive strategies. Swiggy focuses on tier-2 cities and quick commerce, while Zomato invests in global expansion and diverse verticals like Zomato Gold.

Competitive Analysis:

Competitors Overview	Swiggy	Zomato	Food Panda
USP	No Minimum order criteria and Fastest and accurate delivery times as they have own delivery boys.	"Zero commission model" is introduced for partner restaurants, by which they give more discounts to customers.	Tie up with over 4000 restaurants and full-time live chat support.
Famous for	Biryani, Chinese, Indian cuisines are famous also are into Café coffee day,goli vada pav.	Specialized cuisines(pizza –burger)	Local foods
Customer Segment	Target audience are people between the age 18-55(students, entrepreneurs or professionals working in MNC's)	Mainly 18-30 age group also teenagers are attracted as they are specialized in Pizza and burgers.	Young population
Website	Clean and clutter less website	Easy to browse and place and order.	Difficult to browse.
Alexa Ranking	Global rank:87,541, Rank in India:5350	Global rank: 1110 Rank in India: 156	Global rank : 45356 Rank in India: 4233
Play store rating	4.2	4.3	3.2

2 .Gather Background Information

Collecting foundational details about competitors offers insights into their operations and strategic decisions.

Key Elements to Research:

- ***Company History:*** Information about founding dates, funding sources, and milestones.
- ***Location:*** Where the competitor operates and the extent of their market reach.
- ***Company Size:*** Number of employees, customers, and estimated revenue.

Tools for Research:

- *Official websites, social media, and press releases*.
- *Platforms like LinkedIn, Glassdoor, and Crunchbase for employee and funding data.*
- *News articles and industry reports for contextual information.*

Case Study: Reliance Retail vs. DMart

- Reliance Retail's *aggressive store expansion and diversified product range* contrast with DMart's focused strategy on *high-margin essentials and efficient store operations*. Reliance's ventures into *e-commerce* (JioMart) highlight its adaptability, while DMart's *cost-leadership* remains its core strength.

3 .Profile Competitors' Target Customers

Understanding who competitors target provides valuable insights into market dynamics and unmet customer needs.

How to Identify Target Customers:

- **Mission Statements:** Reflect on customer demographics and values.
- **Messaging Analysis:** Review advertising and website content for clues.
- **Social Media:** Examine interactions and follower demographics.
- **Customer Features:** Analyze testimonials, reviews, and case studies shared by the competitor.

Case Study: Tata Cliq vs. Amazon India

- Amazon India targets a broad spectrum of customers, *emphasizing convenience and variety*. Tata Cliq, on the other hand, appeals to *premium shoppers seeking authentic luxury products*. These target profiles guide their marketing campaigns and partnerships.

4 .Analyze the 4 P's of Marketing

Product
- What do they sell, and what are the key features?
- What's unique about their product or service?
- What weaknesses do customers point out in reviews?

Price
- Pricing models (one-time purchase, subscription, discounts).
- Perceived value vs. cost.

Promotion
- Advertising channels used (social media, email, TV).
- Messaging and storytelling strategies.
- Focus areas (e.g., quality, affordability, innovation).

Place
- Sales channels (online, retail, third-party marketplaces).
- Geographical reach and accessibility.

Case Study: Flipkart vs. Amazon India

Flipkart's festive-season discounts and localized promotions cater to Indian shoppers during cultural festivals. Amazon India's focus on Prime memberships, global product access, and fast delivery differentiates its strategy. Their product offerings and pricing models reflect their customer base's diversity.

5. Condense Findings

Compile the gathered data into succinct bullet points or summaries for easy retrieval. Include **quantitative data**, such as market share or revenue, where available.

Case Study: Ola vs. Uber in India

Key observations might include:

- **Product:** Ola's auto-rickshaw services vs. Uber's luxury car offerings.
- **Price:** Competitive ride fares during peak hours.
- **Promotion:** Ola's regional language campaigns vs. Uber's international branding.
- **Place:** Ola's reach in tier-2 cities vs. Uber's metropolitan dominance.

3. SWOT Analysis

- SWOT competitor analysis making the right decision is all about analyzing what your competitors are doing, and taking the initiative to stay ahead of the curve.

- A competitor SWOT analysis is about understanding your competitor's chess moves. It's a powerful tool that helps you gain important insights about their strengths, weaknesses, opportunities, and threats.

- All this allows you to understand where you stand and take the next step to carve your niche and dominate in your respective market.

- SWOT stands for strengths, weaknesses, opportunities, and threats. The process puts you in your competitor's mindset. On the one hand, you analyze the strengths your competitor has that are currently helping them achieve their goals and the weaknesses that are hurting their progress.

- You also look at external factors, namely, your competitor's opportunities and threats. You examine the market opportunities your competitor can exploit. Finally, you also explore what the threats are and how this could affect their decision-making in the future.

STRENGTHS

Strong brand presence in ride-hailing, diverse service offerings, extensive driver network, innovative technology platform.

WEAKNESSES

High dependency on the Indian market, profitability challenges, regulatory hurdles, fluctuating service quality.

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THREATS

Intense competition from global ride-hailing companies, changing government regulations, rising operational costs, economic downturns affecting consumer spending.

OPPORTUNITIES

Expanding into international markets, growing demand for electric vehicles, diversification into logistics and food delivery, leveraging AI for improved user experience.

When should you conduct a competitor SWOT analysis?

There are various reasons why you might feel it's the right time to take a deep dive into your competitor's mindset and strategy. Here are some of the most common ones:

❑ **Stagnation:** Your business growth may have reached a plateau that you're unhappy with. In this case, a SWOT competitor analysis can help get things moving by providing a fresh take on things.

❑ **Marketing strategies:** If you're working on a marketing campaign or simply updating your current marketing strategy, looking at what your competitors are doing is a good way to up your game. This not only ensures you're getting a return on investment on your marketing spend but also helps you take your campaigns and strategy to the next level.

❑ **New product:** Launching a new product comes with many risks. A competitor SWOT analysis can help you answer questions like:

  o What features are customers looking for?

  o What price are they willing to pay?

  o Is there anyone else offering the same product?

❑ **New market:** It's safe to say that you need to do your homework before entering a new market. A SWOT analysis not only helps you understand how to approach the market but also saves you precious time, money, and resources.

How to Do a SWOT Analysis

- A SWOT analysis can be broken into several steps with actionable items before and after analyzing the **4 components**. In general, a SWOT analysis will involve the following steps.

1. Identify who your competitors are

- This step goes without saying, but having a clear idea of who your competitors are goes a long way in ensuring your SWOT analysis is successful. Start by identifying your direct, as well as indirect competitors.

- Direct competitors are the ones offering similar products to your target market. Conversely, indirect competitors are those who offer different solutions to the same problem and target audience.

- The number of competitors will largely depend on your industry, and also on your product, service, & location. If you're operating in a niche market, you may only have one or two direct competitors and a few indirect ones. If you're competing in a larger market, your list will be more extensive.

- Choose four or five of the most relevant ones applicable to your specific use case. For instance, if you want to revamp your marketing strategy, choose those competitors who are crushing their marketing and PR game.

2. Gather information

Once you've selected your competitors, it's important to do as much research as possible to ensure that you have all the relevant data.

- Read their blogs, product packaging and social media posts.

- Visit their website to learn all about their products, pricing strategies, USPs and roadmap. Subscribe to competitors' newsletters to understand what value they are providing their email list with, branding and tone of voice being used, and even observations of how they format their email signatures.

- Pay close attention to product specifications, and any promotional offers and marketing campaigns they rolled out in the past. Check their tech stack and identify gaps in their website. For instance, if their website takes ages to load, research alternative managed hosting options that can help with your own site speed to enhance your user experience.

- Customer feedback is another important aspect, as it tells a lot about the product and the company-client relationship. Instead of visiting every customer feedback website in existence, you can use tools like Determ to scan the digital media space, monitor brand sentiment, and get detailed reports that will help you in the next step.

3. Conduct a SWOT competitor analysis

Now that you've compiled your competitors' playbook, it's time to delve deeper and conduct a SWOT analysis for each individual competitor:

- **Strengths:** Identify where your competitor's strengths lie. Extract what makes your competitor stand out, and in which areas they're one upping you. This could include strong brand recognition, innovative marketing strategies, a loyal customer base, a product with superior features, and so on. Analyze how all these strengths contribute to their competitive edge.

- **Weaknesses:** Pinpoint the areas where your competitors are falling short. These can range from poor customer service to underqualified staff. Assess how these vulnerabilities can be used to your advantage.

- **Opportunities:** Analyze your competitor's potential growth opportunities.
  - *Are there any particular marketing trends that will benefit your competitor?*
  - *Are they planning strategic partnerships that will boost their business?*
  - *Are there untapped customer segments?*
  - *Think about how your competitors might capitalize on these opportunities.*

- **Threats:** Evaluate any external factors that may mitigate each competitor's success in the market. These can include changing legal requirements, inflation, wars or sanctions, and shifting consumer preferences, to name but a few. Assess how these will affect your competitor in both the short and long term.

4. Analyze your findings

- An important part of SWOT is the actual analysis. So once you've finished writing down all your competitors' strengths, weaknesses, opportunities and threats, it's time to analyze the findings.

- Identify business trends and patterns that can lead to strategic insights. Look into what weaknesses your company can exploit, and what opportunities you can leverage instead of them.

- Think about how you can use their weaknesses to your advantage, and how you can mitigate potential market threats. A thorough analysis is essential to ensure that you don't make rash decisions that could actually harm your company, rather than help it.

5. Take action!

- Armed with all these valuable insights, it's time to take action and formulate strategies that will strengthen your position in the market. First, it's important to recognize your own strengths and actually strengthen them, before investing in anything else. You may be tempted to jump straight into leveraging your competitors' weaknesses, but actually boosting what you already have can go a long way. Working on your weaknesses is next. Whether it's training your employees, or adjusting your marketing strategy, it's important to hone in on the things you're currently missing to improve your business performance.

- While you're working on supercharging your strengths and tackling your weaknesses, it's crucial to seize the external opportunities you've identified in your SWOT competitor analysis. Whether it's introducing new features, forging a strategic partnership, or exploring a new customer segment, exploring these opportunities before your competitors do so will help you stay ahead of the game.

- Opportunities don't come without their risks. Therefore, it's important to develop contingency plans to mitigate any risks and safeguard your business. Doing so will ensure your company can weather any storm that comes its way.

Benefits of SWOT Analysis

❑ **Strategic planning**: Helps you create ambitious yet attainable plans

❑ **Competitive advantage**: Helps you identify your strengths relative to competitors

❑ **Risk management**: Helps you identify potential vulnerabilities and threats

❑ **Informed decision-making**: Helps you make data-driven decisions

❑ **Proactive planning**: Helps you assess various scenarios and plan ahead

❑ **Capitalizing on opportunities**: Helps you align your strengths with opportunities to grow your business

❑ **Cross-functional collaboration**: Involves teams from different departments to provide a more robust analysis

4. Market Positioning

❑In marketing and business strategy, market position refers to the consumer's perception of a brand or product in relation to competing brands or products. Market positioning refers to the process of establishing the image or identity of a brand or product so that consumers perceive it in a certain way.

❑It involves defining a unique value proposition and differentiating yourself in the market.

❑Market positioning examines where a competitor stands in the minds of customers.

Examples:

- **SBI**

SBI was always known to be the traditional bank which did not upgrade its processes along with the technology. Still, due to stiff competition and customer's needs, they have to change their complete brand identity. It has designed its positioning as a modern and progressive bank which is ready to satisfy the needs of tech-savvy Indians and as people most trusted bank. The position there brand as the technology savvy to cater to all those businessmen, industrialist and a common man whom the time is the most precious thing in the world. It has high accessibility with over 25,000 branches; it finds relevance to young customers with its value-added services like net banking, telebanking etc.

- **Amazon India**

Amazon has positioned itself as a "one-stop online shopping site" where people can purchase a variety of products sitting at home online. Amazon is an excellent example for its distinct values such as a passion for innovation, customer satisfaction and dedicated operational excellence.

Key Elements of Market Positioning

1) Target Audience
- ❑ The specific group of customers you want to reach.
- ❑ Based on demographics (age, gender, income), psychographics (lifestyle, values), and behavior.
- ❑ Example: Apple targets premium tech users who value innovation and design.

2) Brand Promise & Messaging
- ❑ Consistent tone, tagline, and communication that reinforce positioning.
- ❑ Must reflect what the brand stands for.
- ❑ Example: Volvo's brand promise is "Safety First."

3) Competitive Differentiation
- ❑ What makes your product or brand unique compared to competitors?
- ❑ Could be price, quality, technology, customer service, or brand experience.
- ❑ Example: Tesla differentiates itself with cutting-edge EV technology and a direct-to-consumer model.

Types of Positioning Strategies

- Positioning strategies are marketing approaches used to establish a brand, product, or service in the minds of consumers.

1. Product-Based Positioning

- ❑ Focuses on the unique features or benefits of a product
- ❑ Example: Apple positions the iPhone as a premium, innovative smartphone.

2. Price-Based Positioning

- ❑ Competes on cost, offering affordability or luxury.
- ❑ Example: Walmart positions itself as a low-cost retailer, while Rolex targets the luxury segment.

3. Quality-Based Positioning

- ❑ Emphasizes superior quality, durability, or craftsmanship.
- ❑ Example: Mercedes-Benz positions its cars as high-quality and reliable.

4. Use or Application-Based Positioning

❑Highlights a specific use case for the product.

❑Example: Gatorade is positioned as a drink for athletes to enhance performance.

5. Competitor-Based Positioning

❑Differentiates the product from competitors directly.

❑Example: Pepsi's positioning as an alternative to Coca-Cola.

5. Customer Feedback and Reviews

A customer feedback review is a process of analyzing customer feedback to identify areas for improvement in a product or service. Customer feedback can be collected through surveys, polls, interviews, or reviews.

How to review customer feedback ?

- Gather customer feedback in one place
- Read each feedback item
- Identify common themes and patterns
- Quantify the most common issues
- Prioritize issues to be addressed

What types of customer feedback are there?

- **Feature requests:** Customers provide ideas for improving products or services
- **Customer satisfaction surveys**: Customers rate their satisfaction with a product or service on a scale
- **Reviews:** Customers share their experiences with a product or service, including what they liked or didn't like

How to write a good customer review?

- Be honest and specific
- Include details about the product or service
- Mention any problems you encountered
- Keep it civil and friendly
- Provide constructive feedback.

Role of Customer Feedback and Reviews in Competitor Analysis

1.Benchmarking Performance

- Comparing ratings, reviews, and feedback across competitors helps set industry benchmarks.
- Example: If competitors have consistently high ratings for its fast delivery but criticized for poor customer service, your business could focus on both areas.

2. Spotting Market Gaps & Opportunities

- Unaddressed customer complaints provide an opportunity for differentiation.
- Example: If multiple reviews mention "lack of eco-friendly packaging," introducing sustainable options can be a unique selling point.

3) Improving Customer Expectations

- Feedback helps gauge customer needs and preferences.
- Reveals expectations regarding price, quality, features, and service.
- Example: If customers complain about slow customer support, prioritizing a faster response time can be a winning strategy.

4) Evaluating Brand Reputation & Sentiment

- Sentiment analysis of customer reviews helps understand how a competitor's brand is perceived.
- Example: A competitor with consistently negative reviews on after-sales service can be an area where you outshine them.
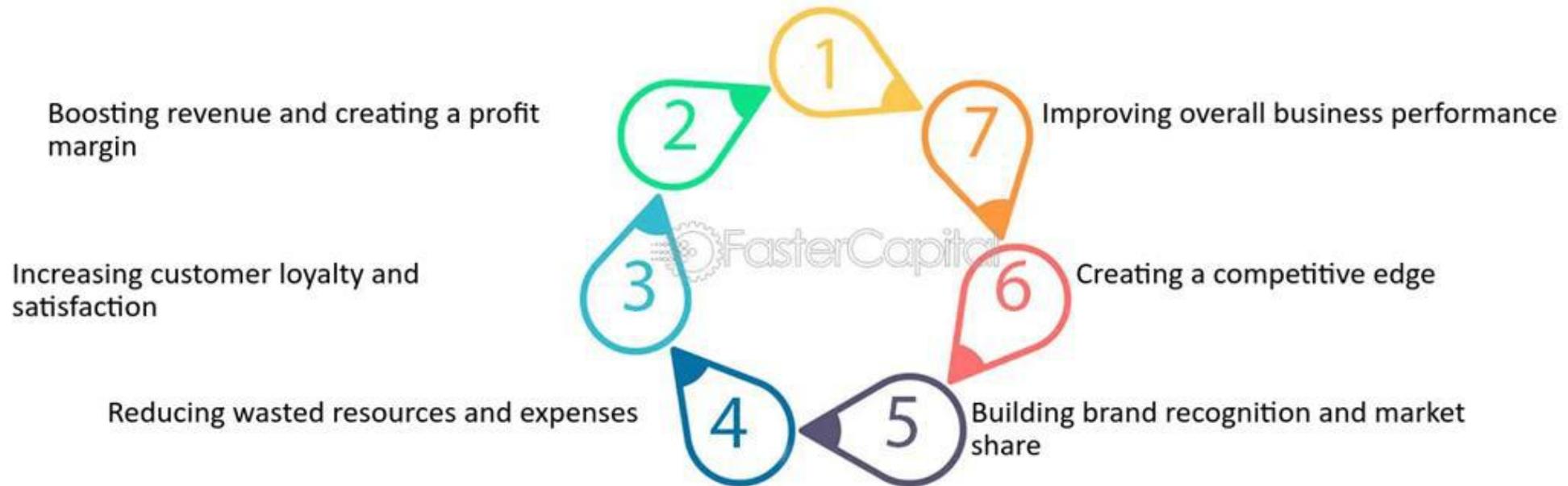
6. Pricing Analysis

❑ Pricing analysis is the process of using data and analytics to determine the optimal price for a product or service.

❑ It involves gathering information about customer behavior, competitor pricing, and market trends to make informed decisions about pricing.

❑ **Purpose**: Determining the optimal price point for your product or service.

Pricing Methods:

❖ **Cost-Plus Pricing**: Adding a markup to production costs.

❖ **Value-Based Pricing:** Setting prices based on the perceived value to the customer.

❖ **Competitive Pricing**: Aligning prices with industry standards.

There are several data and analytics methods used for pricing analysis, including:

- **Customer segmentation:** Dividing customers into groups based on similar characteristics such as age, gender, location, and spending habits. This helps to identify which customer segments are more likely to pay higher prices for a product.

- **Competitor analysis:** Gathering information about competitors' pricing strategies, product offerings, and market share to identify areas where pricing adjustments can be made.

- **Demand forecasting:** Predicting the demand for a product or service based on historical data, market trends, and external factors such as economic conditions.

- **Price elasticity analysis:** Determining how responsive customers are to changes in pricing by analyzing historical sales data and testing different pricing strategies.

Following are some of the pricing strategies in Business:

Cost-Based Pricing: Price is determined by adding a markup to the cost of production.

Value-Based Pricing: Prices are based on the perceived value to customers rather than production costs.

Competitive Pricing: Prices are set based on competitor pricing, either matching, lowering, or slightly increasing.

Penetration Pricing: Low initial prices attract customers and build market share, later increasing prices.

Skimming Pricing: High initial prices target early adopters, then decrease over time.

Dynamic Pricing: Prices change based on demand, time, or customer behavior.

Subscription Pricing: Customers pay a recurring fee for ongoing access to products or services.

Psychological Pricing: Pricing techniques that influence perception (e.g., ₹999 instead of ₹1000).

Freemium Pricing: Basic services are free, but users pay for premium features.

7. Differentiation Strategy

❑A differentiation strategy is a business approach that aims to make a company's products or services stand out from competitors.

❑The goal is to create a competitive edge by identifying and highlighting unique attributes that customers value.

❑Usually, it involves highlighting a meaningful difference between you and your competitors. And that difference must be valued by your potential clients.

❑A strong differentiator will provide a competitive advantage for your firm.

Benefits

❑A differentiation strategy can help a business gain a competitive edge

❑It can allow a business to charge a premium for its products or services

❑It can help a business attract a dedicated customer base

Examples:

1. **Amul, a dairy giant in India**, exemplifies product differentiation by positioning itself as a provider of wholesome and natural dairy products. Its mascot, the Amul Girl, and taglines like "The Taste of India" resonate deeply with Indian consumers. Amul's diverse product range, from its butter to ice creams and cheese. All its products underscore the quality and connect with the Indian palate, setting it apart in a competitive market.

2. **Nike – Emotional Branding & Performance Innovation**

- How Nike Differentiates: Emotional Storytelling – "Just Do It" campaigns inspire consumers to push limits.

- Athlete Endorsements – Partnerships with top athletes like Michael Jordan, LeBron James, and Serena Williams.

- Product Innovation – Cutting-edge sportswear and footwear technology (e.g., Air Max, Flyknit).

- Customization & Digital Integration – Nike By You (custom shoes) and Nike Training Club app.

- Key Takeaway: Nike differentiates by creating an emotional connection with customers, innovative products, and strong athlete partnerships.

3. IKEA – Affordable & Stylish DIY Furniture

How IKEA Differentiates?

- *Flat-Pack, DIY Assembly* – Low-cost shipping and easy self-assembly. Affordable Scandinavian Design – Stylish, minimalist furniture at budget-friendly prices.

- *Massive Showroom Experience* – Encourages customers to explore and test products.

- *Sustainability & Innovation* – Uses eco-friendly materials and waste reduction initiatives.

- **Key Takeaway:** IKEA differentiates by offering affordable, stylish furniture with a fun, interactive shopping experience.

8. Benchmarking and Improvement

❑Benchmarking in business refers to the process of measuring a company's performance against industry leaders or competitors to identify areas for improvement, essentially comparing your operations to the "best in class" to understand where you stand and how to enhance your performance by learning from their practices; this comparison allows businesses to pinpoint areas where they can implement changes and drive continuous improvement across various aspects like operational efficiency, customer satisfaction, or product quality.
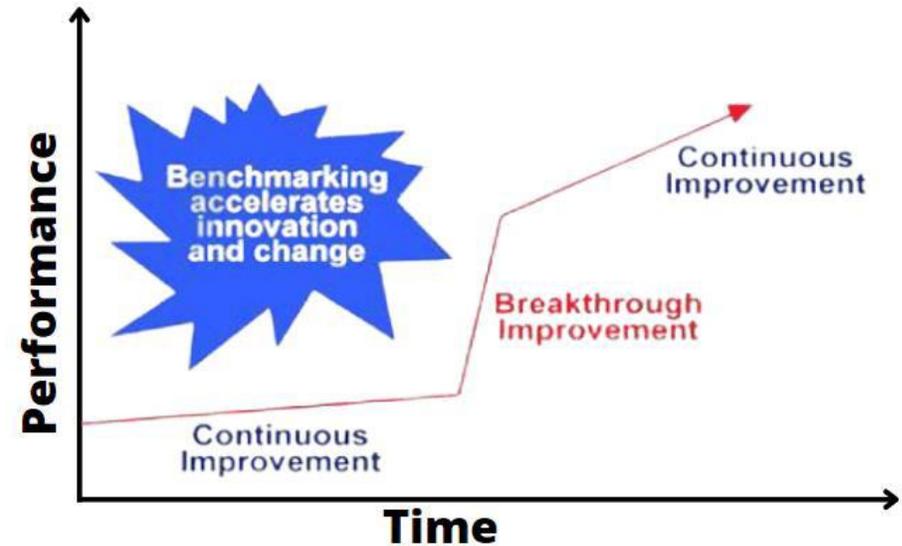
Benefits of Benchmarking

- *Increased efficiency:* By identifying areas for optimization, benchmarking can lead to improved operational efficiency.

- *Enhanced competitiveness:* Understanding how your competitors perform allows you to stay ahead in the market.

- *Innovation potential:* Exposure to best practices from other industries can spark new ideas and innovative solutions.

- *Improved decision-making:* Data-driven insights from benchmarking can inform better strategic decisions

Key points about benchmarking and business improvement:

- *Identifying gaps:* By comparing your metrics (like cost per unit, customer retention rate, or delivery time) against competitors, you can identify areas where your company is lagging behind and needs to focus improvement efforts.

- *Learning from best practices:* Benchmarking allows you to study successful strategies used by other companies in your industry, enabling you to adopt and adapt those practices to your own business.

- *Setting realistic goals:* Based on the insights gained from benchmarking, you can set achievable goals for improvement in specific areas of your business.

- *Continuous improvement culture:* Benchmarking encourages a mindset of ongoing evaluation and adaptation, fostering a culture of continuous improvement within the organization

Types of Benchmarking:

1. *Internal benchmarking:* Comparing different departments or teams within the same organization to identify best practices that can be shared across the company.

2. *Competitive benchmarking:* Directly comparing your business to your main competitors to understand their strengths and weaknesses.

3. *Industry benchmarking:* Analyzing performance against other companies in the same industry, regardless of direct competition.

How to implement benchmarking?

- *Select key performance indicators (KPIs):* Identify the metrics that are most relevant to your business goals.

- *Choose benchmark companies:* Research and identify companies considered leaders in your industry.

- *Gather data:* Collect data on your own performance and the performance of your benchmark companies.

- *Analyze the data:* Compare your performance to the benchmarks, identifying areas for improvement.

- *Develop action plans:* Create strategies to address identified gaps and implement changes to improve performance.

Practical Example: Competitor Analysis in Action

Here's how you might approach a competitor analysis to run a coffee shop in a metropolitan area :

1. Identify Competitors
- **Direct**: Nearby coffee shops like "Brew & Bean" and "Cafe Bliss."
- **Indirect**: Fast-food chains (e.g., McDonald's) and grocery stores selling coffee.

2. Competitor Profiling
- **Brew & Bean**: Artisanal coffee, lively ambiance, slow service during peak hours.
- **Cafe Bliss**: Premium organic coffee, health-focused, expensive.
- **McDonald's**: Affordable, quick coffee options.

3. SWOT Analysis
- **Brew & Bean**: Strong community presence but limited parking.
- **Cafe Bliss**: High quality but pricey.
- **Opportunity for You**: Balance quality, affordability, and convenience.

4. Market Positioning
- **Competitors**: Brew & Bean = social hub; Cafe Bliss = premium health cafe.
- **Your Position**: Family-friendly cafe with affordable prices.

5. Customer Feedback
- Competitors have strengths (e.g., quality, atmosphere) but face complaints (e.g., price, slow service).
- Focus on faster service and family-friendly options.

6. Pricing Analysis
- **Competitor prices:** $1–$10.
- **Your pricing:** $3–$5 for quality and affordability.

7. Differentiation Strategy
- Offer unique blends, seasonal drinks, and a kids' play area.
- Launch a loyalty program (e.g., buy 5, get 1 free).

8. Benchmarking and Improvement
- Track foot traffic and customer satisfaction.
- Adapt by hosting unique events (e.g., trivia night) to stand out.

Business Idea: EcoCart - An Innovative E-Bike for Indian Campuses

Step 1: Identify Competitors
- ❑ **Direct Competitors:**
  - ▪ Hero Electric (e-bikes)
  - ▪ Okinawa Autotech (e-bikes)-
- ❑ **Indirect Competitors:**
  - ▪ Conventional bicycle manufacturers
  - ▪ Ride-hailing services

Step 2: Competitor Profiling
- ❑ **Hero Electric:**
  - ▪ Strengths: Established brand, wide distribution network
  - ▪ Weaknesses: Limited e-bike models, high pricing
- ❑ **Okinawa Autotech:**
  - ▪ Strengths: Innovative e-bike designs, affordable pricing
  - ▪ Weaknesses: Limited geographical presence, customer support issues

Step 3: SWOT Analysis

Strengths:
- ❑ EcoCart's innovative e-bike design for Indian campuses
- ❑ Affordable pricing, low operating costs

Weaknesses:
- ❑ Limited marketing resources, brand recognition
- ❑ Dependence on suppliers for e-bike components

Opportunities:
- ❑ Growing demand for eco-friendly transportation on Indian campuses
- ❑ Increasing government support for e-vehicle adoption

Threats:
- ❑ Intense competition from established e-bike manufacturers
- ❑ Regulatory challenges, changing government policies

Step 4: Market Positioning
- ❑ **Target Market:** Students, faculty, and staff on Indian campuses
- ❑ **Unique Selling Proposition (USP):** EcoCart offers an innovative, affordable, and eco-friendly e-bike solution for Indian campuses
- ❑ **Market Position:** EcoCart aims to position itself as a innovative, customer-centric, and environmentally responsible e-bike solution

Step 5: Customer Feedback and Reviews-
- ❑ **Customer Feedback:**
  - ▪ Positive feedback on e-bike design, affordability, and eco-friendliness
  - ▪ Suggestions for improving e-bike range, battery life, and customer support-
- ❑ **Reviews:**
  - ▪ 4.5-star rating on Google Reviews, social media platforms

Step 6: Pricing Analysis

    Competitor Pricing:

- Hero Electric: ₹50,000-₹1,00,000
- Okinawa Autotech: ₹30,000-₹80,000
- EcoCart Pricing: - Basic Model: ₹25,000
- Premium Model: ₹45,000

Step 7: Differentiation Strategy

    Unique Features:

- Innovative e-bike design for Indian campuses
- Affordable pricing, low operating costs
- Eco-friendly solution, reducing carbon footprint

    Brand Identity:

- Emphasis on innovation, customer-centricity, and environmental responsibility
- Strong online presence, social media, address emerging trends and technologies.

Step 8: Benchmarking and Improvement

Benchmarking:
- Regularly review competitor offerings, pricing, and customer feedback
- Analyze industry trends, technological advancements, and market shift

Improvement:
- Continuously gather customer feedback, incorporate suggestions into product development
- Invest in research and development, stay ahead of competition, address emerging trends and technologies.

Benefits of Competitor Analysis

➢ **Improves Decision-Making:** Gain insights to make informed strategic decisions about pricing, product features, and market entry.

➢ **Identifies Market Gaps:** Spot unmet customer needs or underserved segments.

➢ **Enhances Competitive Advantage:** Build strategies that capitalize on competitors' weaknesses or differentiate your brand.

➢ **Informs Marketing Strategy:** Learn which channels and tactics are most effective in your industry.

➢ **Supports Risk Management:** Anticipate potential threats, such as new entrants or shifts in market demand.

Tools for Competitor Analysis

1. **SEMrush or Ahrefs:** Analyze online traffic, keywords, and backlinks.

2. **Google Alerts:** Get notified about competitor updates and news.

3. **SimilarWeb:** Compare website traffic and engagement.

4. **Social Media Platforms:** Monitor engagement levels and ad campaigns.

5. **SpyFu:** Track competitor PPC campaigns and SEO strategies.