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Startups should aim to create a new market space with their business model rather than competing in a crowded market.

However, Startups often Innovates which involves combining existing ideas, technologies, or processes in new ways, leading to a competitive landscape.

In either case, it is important for startups to understand the competitive landscape, identify strategic opportunities, assess profitability potential, and develop a competitive strategy while defining their solution.





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Maximizing Success in the Competitive Landscape

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Risk of entering a market

- » Availability of capital required to enter the industry
- » Existence of intellectual property rights
- » Strength of established brands in the industry
- » Government regulations such as licensing requirements or regulation
- » Availability and cost of distribution channels
- » Existence of larger firms that can provide your product at a lower price due to volume





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Risk of alternate products

- » Availability of substitute products in the market
- » Ease of switching to alternative products
- » Relative price of the alternate is lower
- » Relative performance of the alternate is higher
- » Customers have a strong preference for the substitute
- » High availability of alternative products





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Factors increasing the Buyer's negotiation strength

- » Small number of large customers
- » High cost of switching to a competitor
- » Lack of substitute products
- » Product is critical to the customer's operation





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Factors decreasing the Supplier's negotiation strength

- » Large number of small suppliers
- » Product purchased by the startup is less critical to operation
- » Availability of more substitute products to purchase
- » Not heavily dependent on a single supplier





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Factors increasing the intensity of competition

- » Large number of strong competitors
- » Low level of differentiation among products and services among competitors
- » Excess production capacity in the industry
- » Low growth rate of the industry
- » High barriers to exit from the industry





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