Competitive Analysis

☐ Define direct & indirect competition - What other coffee shops are helping customers solve their problems?
- Direct - other coffee shops competing for the same coffee dollar you are
- Indirect - donut shops, bakeries, or sandwich shops going for the same general food and beverage dollar or market

☐ Research - Visit shops yourself for primary research. Take advantage of creative secondary research like social media and even Yelp reviews.

☐ Create a competitive matrix - Make a table that compares your coffee shop to your competitors’ according to important variables in your environment that you want to compare.
- Choose competitors important to you, whether based on geographic region, market influence, or being similar to your coffee shop.
- Choose variables important in the coffee shop environment to compare against.
  Some to pick from include:
  - name
  - location
  - products
  - prices
  - taste/quality
  - operation hours
  - length established
  - catering/delivery
  - decor
  - seating capacity
  - customer stream
  - traffic count
  - employee count
  - customer service
  - reputation
  - website
  - competitive advantage
  - unique/stand outs
  - impressions

• Compare and/or rank these variables for yourself and each competitor.
• Analyze where you stand according to the competition. Find patterns of success in the results. If they’re empty... are they in the wrong part of town? Do they charge too much? Do their products taste “off?” Is the music too loud?
Conduct a SWOT Analysis - For yourself, then for your main competitors. Create a similar table, or simply write it out. SWOT stands for:

- **Strengths** (internal)- things you can strongly offer and do better
- **Weaknesses** (internal)- areas you fall behind
- **Opportunities** (external)- areas customers are under-served, where you can excel when others are falling short, unmet needs in the market, etc.
- **Threats** (external)- barriers to entry, potential pitfalls of entering your market, cost of entry, competition, laws/regulations, etc.

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Prices</th>
<th>Taste</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>My Coffee Shop</strong></td>
<td>Denver, stand alone building</td>
<td>$2.75 to $4.5 coffee to latte</td>
<td>rich, good, perfect</td>
</tr>
<tr>
<td><strong>Competitive Shop 1</strong></td>
<td>Downtown, Larimer Street 10</td>
<td>$2.50 to $4 coffee to latte</td>
<td>too watered down 2</td>
</tr>
<tr>
<td><strong>Competitive Shop 2</strong></td>
<td>9</td>
<td>9</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>My Coffee Shop</strong></td>
<td>amazing coffee unique decor</td>
<td>small menu few hours</td>
<td>student market foot traffic</td>
</tr>
<tr>
<td><strong>Competitive Shop 1</strong></td>
<td>established shop vegan options</td>
<td>watery coffee rude baristas</td>
<td>near new light rail station</td>
</tr>
<tr>
<td><strong>Competitive Shop 2</strong></td>
<td>open late credible brand</td>
<td>limited seating expensive</td>
<td>near business center</td>
</tr>
</tbody>
</table>

Internal Analysis

- **Analyze your industry, market, and competitive analysis** - Start forming your strategy for attracting clients and setting up your coffee shop in your market.

Questions to consider:
- How is your competition perceived? How do you want to be perceived?
- Who is their target market? Is your target market important to your competitors?
- How is your coffee shop’s solution to solving customer needs different or better than other shops a potential customer might consider?
- What features or benefits do you offer than your competitors don’t? What can you offer?
• What are you good at? What are your competitors good at?
• Where do you/they fall behind?
• What customers are under-served?
• Are there opportunities to excel where others are falling short? Are there customer needs that aren't being met by your competitors?
• Who else does what you do? If the answer is “no one,” you're on the right track.
• Start using this information to determine your positioning in the market and pricing strategy.