



Wadhvani Ignite

CONCEPT BOOKLET

Module 6

Lesson 1: Map Your Relative Position in the Market

Context:

Now that you have your initial prototype, you have to worry about whether your solution or product has one or more competitors and whether they are better than you. For that you have to learn about and understand your competitors while keeping an eye on the on market and industry trends. , This knowledge is essential for making strategic adjustments to either maintain or enhance your position in the market

By the way, know that it is a misconception that a start-up has no competition. Whether direct or indirect, you will always have competition. Even the most unique products or services face alternatives, including the possibility that customers might choose not to buy anything at all. New companies entering the market that you serve as well as changes in what customers want ,can also create more competition over time.

Understanding your position in the market and developing a strategy for building and maintaining a strong advantage compared to others is crucial to sustain and grow your business.

Program overview, and your **Venture Journey** over 14 weeks

1. Problem Identification	2. Customer Identification & Needs Validation	3. Solution Idea Generation
Week 1-2	Weeks 2-4	Week 4
<ul style="list-style-type: none"> ■ Orientation ■ Develop Macro Industry-Problem view ■ Assemble “Real-World” Problems ■ Examine Chosen Problems ■ Analyze Problems 	<ul style="list-style-type: none"> ■ Identify customer segments ■ Assess 'jobs-to-be-done' ■ Develop Customer Personas ■ Understand Customer Validation ■ Validate Customer-Problem fit ■ Pivot/Refine Customer-Problem Fit for Feasibility 	<ul style="list-style-type: none"> ■ Understand Ideation techniques ■ Generate Solution Idea
4. Opportunity & Competition Mapping	5. Prototype Development & MVP	6. Opportunity Feasibility Assessment & Sizing
Week 5	Week 6	Week 7-8
<ul style="list-style-type: none"> ■ Identify Global competitors ■ Review Industry Trends and Estimate Market Size (TAM) ■ Introduction to Financial Planning 	<ul style="list-style-type: none"> ■ Overview of Prototypes & MVP ■ Build an Initial Prototype ■ Prototype for Early Validation 	<ul style="list-style-type: none"> ■ Map your Relative Position in the Market ■ Estimate Opportunity Size
7. Business Modelling	8. Marketing & Sales Strategy	9. Financial Management for Profitability
Week 8-9	Week 9-10	Week 11-12
<ul style="list-style-type: none"> ■ Examine Revenue Model ■ Revenue Models continued ■ Review and Organize the Lean Canvas ■ Build the LC for your Startup 	<ul style="list-style-type: none"> ■ Understand Marketing & Sales ■ Recommend a Go-To-Market (GTM) Approach ■ Map a Sales Process 	<ul style="list-style-type: none"> ■ Deep Dive into Financial Planning ■ Analyze the Path to Profitability ■ Understand Bootstrapping and Funding Options
10. Team & Talent Requirement	11. Orientation for Scale	12. Venture Idea Feasibility Presentation
Week 12	Week 13	Week 14
<ul style="list-style-type: none"> ■ Finding Co-founders and Mentors ■ Building an Initial Team 	<ul style="list-style-type: none"> ■ Thinking Beyond the Prototype - Scale Opportunity & Orientation ■ Persuasive Story-Telling for a Viable Venture Idea ■ Pitch preparation 	<ul style="list-style-type: none"> ■ Practice Pitch ■ Final Pitches

Concepts Covered in this Lesson

<p>A. Tracking Competition:</p> <ul style="list-style-type: none">• Why track competition?• What should you track?• Methodology to employ for effective tracking• Tools to track competition.	<p>B. Competition Analysis:</p> <ul style="list-style-type: none">• Framework for analysing information and data on competitors.• Gathering key insights from the analysis
<ul style="list-style-type: none">• Market Positioning:• Using insights from competition analysis to determine positioning vis a vis your competitors.• Value proposition	<p>C. MOAT:</p> <ul style="list-style-type: none">• What is MOAT?• Why should you worry about your MOAT?• How could you build your MOAT ?

Learning Objective:

It is to go from understanding **whether** you have or can build a unique value for the customers vis a vis your competitors (USP); **to determining your market positioning** in the existing and growing market; to further **defining a strategy to build and defend** your position as a market leader (**MOAT**).

More specifically after completing this lesson, you will be able to:

- Evaluate competitors' strengths, weaknesses, and strategic approaches.
- Gain insights into market positioning and understand how competitors are perceived by consumers.
- Develop strategies to differentiate your offerings and improve your competitive advantage.
- Craft an initial strategy for ensuring long term sustainability of your venture
- Be able to stay ahead of market trends and anticipate competitive moves to adapt proactively.

- Make informed decisions about your strategy based on comprehensive competitive intelligence.

Steps for you to take after this lesson:

- Review the direct and indirect competitors identified earlier
- Select the top 3-4 competitors from your list
- Identify 4-5 key factors and create a competition chart using deep research on these factors (e.g. pricing, marketing, quality)
- Similarly, choose 2 key factors to create the positioning map of your solution idea vs. the competitors
- Analyze what differentiates you clearly from the competition.

Reminder: What is Competition?

In business, a competitor is any entity that poses a challenge to your success in the market; Or can potentially enter the same market; Or Satisfies the same customer needs; Or even solves the same customer problems, but with different offerings.

Competitors can come from various quarters:

- **Direct Competitors:** These are businesses that offer the same or similar products or services in your market. They cater to the same customer needs and are often the first type of competition that comes to mind.
- **Indirect Competitors:** These companies may not offer the exact product or service as you but solve the same customer problems or fulfill the same needs, often in different ways.
- **Potential New Entrants:** Any business that could enter your market and start competing with you is also considered a competitor, especially if they might introduce new solutions to existing customer needs.

A. Tracking competition

Why Track Competition?

Goal: In tracking a competition the goal is to 'Reflect on Your own Strengths' vis a vis competitors in order to 'Outshine the Competition'

Think of a game of cricket. You would need to know the strengths and weaknesses of the opposing team to strategize and win. Similarly, in business, knowing your competitors' strengths and weaknesses helps you determine your market positioning.

But why is this important?

Understanding your competitors allows you to identify opportunities to outperform them. It helps you see where they excel and where they fall short, which can inform your strategy and give you a competitive edge. Imagine playing a cricket match without knowing anything about the other team – their best bowlers, their weakest fielders, or their star batsmen. It would be much harder to plan your game. The same goes for business. Knowing your competitors means you can better prepare and strategize.

Furthermore, understanding where you stand in the market is essential. It helps you recognize your own strengths and weaknesses in comparison to others. This awareness allows you to highlight what makes your business unique and valuable to customers. It's like knowing your own cricket team's capabilities – your strongest batsmen, your fastest bowlers, and your best fielders. When you know your team well, you can place your players in the right positions and use their strengths to your advantage.

So, let's get started on this journey to better understand our competition and find the best way to position ourselves in the market!

Here we are going to explore the world of market positioning and market sizing. We'll learn how to analyze our competitors, identify our unique selling points, and find our place in the market. Just like Ramesh and Suresh, we'll discover how to play the business game strategically and win over customers.

In summary, understanding the competitive landscape is essential for several reasons:

- **Threats and Opportunities:** By monitoring competitors, you can identify both potential threats and opportunities within your market. This knowledge allows you to strategically position your business to leverage opportunities and mitigate risks.
- **Benchmarking:** Comparing your products, services, features, quality, and pricing against those of your competitors helps you understand where you stand in the market and what improvements you might need to consider.
- **Branding and Messaging:** Knowing how competitors' brand and market themselves provides insights that can help you differentiate your brand and tailor your messaging to capture the unique value you offer.

What to track?

Remember the goal is to understand your Competitors' Strengths and Weaknesses

Strengths are the things that competitors do well. These could be anything from high-quality products, strong brand reputation, excellent customer service, or a wide distribution network. For example, imagine there's a local sweet shop in your town that everyone loves because their sweets are always fresh and delicious. That's their strength!

Weaknesses are the areas where competitors are not performing well. This could include poor customer service, high prices, limited product range, or bad location. Let's say there's a grocery store nearby, but it's always crowded, and the billing process is slow. That's a weakness.

Understanding your competitors allows you to identify opportunities to outperform them. It helps you see where they excel and where they fall short, which can inform your strategy and give you a competitive edge.

Tools to track Competition:

Several tools can aid in tracking and analyzing your competitors:

- **Google and SimilarWeb:** Use these tools for general search insights and to analyze website traffic and engagement.
- **Ahrefs and Moz:** These are valuable for understanding competitors' search engine optimization (SEO) strategies, including keywords and backlinks.
- **BuzzSumo:** This tool is useful for content marketing insights, helping you see which topics and articles are most engaging in your industry.
- **Wadhvani AI Copilot / ChatGPT:** Utilize AI tools like the one you find on your WF platform or ChatGPT or Bard for generating content ideas and getting quick answers to specific competitive analysis questions.
- **Kompyte:** Tailored for competitor analysis, Kompyte helps track marketing strategies and performance across multiple channels.

B. Competition Analysis

How to do competition Analysis?

Typical steps include:

1. Identify Competitors

2. Gather Information

Look at competitors' websites, social media pages, customer reviews, and talk to their customers.

3. List Strengths and Weaknesses

Make a list of what they do well (strengths) and where they fall short (weaknesses).

4. SWOT Analysis: Compare strengths & weaknesses to yours

Think about how these strengths and weaknesses impact their business and yours.

5. Identify Market Positioning

Plot your organization's position vis a vis competition

Key Factors to Analyze in Competition:

When examining your competitors, consider these critical aspects:

- **Product/Service Features:** What unique features do their offerings have? How do they compare to yours?
- **Business Model:** How do your competitors make money? Are their strategies sustainable in the long run?
- **Pricing and Discounts:** What pricing strategies do they use? How often do they offer discounts or promotions?

- **Distribution Channels:** Through which channels do competitors sell their products or services? Are they different from yours?
- **Funding/Financial Performance:** If available, analyze their funding and financial health to gauge their market stability and growth potential.
- **Marketing and Advertising Strategies:** Look at how competitors advertise their products and interact with customers.
- **Management Team:** Understanding the leadership can provide insights into a competitor's strategic direction and capabilities.
- **Customer Reviews and Feedback:** Customer testimonials and reviews can reveal strengths and weaknesses in competitors' offerings from the perspective of those who matter most.

By studying these areas, you'll gain a comprehensive understanding of your competitors' operations, which is essential for developing strategies that ensure your business not only survives but thrives in a competitive marketplace.

Gathering key insights from the analysis is key to become empowered. Insights drawn should **aid your understanding** of whether you **have a natural advantage or can build a clear advantage vis a vis your competitors**. Only if you can do you have a **potentially viable venture idea**.

Frameworks for Competition Analysis

Tracking information for key competitors is only the starting point. Analysing the data and drawing valuable insights about both your rivals and yourself, enables you to make informed strategic decisions that will propel your venture forward.

While there are several frameworks to understand your competitors better – and crucially, to gain a clear picture of your

own strengths, weaknesses, opportunities, and threats – including S.W.O.T and PESTLE; here we are using the simple yet powerful framework, **SWOT Analysis**.

Understanding SWOT Analysis: Your Strategic Compass

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. This versatile framework helps you evaluate your business from both internal (strengths and weaknesses) and external (opportunities and threats) perspectives. It's like a compass, guiding your strategic decisions by giving you a comprehensive view of your competitive landscape.

Strengths: Internal factors that give your competitor an advantage (e.g., strong brand reputation, innovative products, efficient processes).

Weaknesses: Internal factors that put your competitor at a disadvantage (e.g., high costs, outdated technology, limited distribution).

Opportunities: External factors that your competitor could leverage for growth (e.g., emerging markets, changing consumer preferences, new technologies).

Threats: External factors that could harm your competitor's business (e.g., new entrants, regulatory changes, economic downturns).

Additional Strategic Considerations:

- **Customer Feedback Loop:** Actively seek and respond to customer feedback to improve your products and services continually.
- **Data-Driven Decision Making:** Utilize analytics tools to track website traffic, social media engagement, and sales data to inform your marketing and product development strategies.

- **Brand Ambassadors:** Create a program for passionate customers to become brand ambassadors, further amplifying your message.

Remember, **SWOT analysis** is an **ongoing process**. Regularly reassess your internal and external environment to **adapt your strategies** as needed and ensure your business stays ahead of the curve.

SWOT ANALYSIS



The SWOT framework helps you evaluate your business from an internal and external perspective.

S	W	O	T
<p>STRENGTHS</p> <ul style="list-style-type: none"> • Things your company does well • Qualities that separate you from your competitors • Internal resources such as skilled, knowledgeable staff • Eg: 100% eco-friendly materials 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Things your company lacks • Things your competitors do better than you • Unclear unique selling proposition • Eg: Limited marketing budget 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Underserved markets for specific products • Few competitors in your area • Emerging need for your products or services • Press/media coverage of your company • Eg: Growing eco-conscious market 	<p>THREATS</p> <ul style="list-style-type: none"> • Emerging competitors • Changing regulatory environment • Negative press/media coverage • Changing customer attitudes toward your company • Eg: Economic downturns

Analyzing Competition: Example '1mg'

Introduction



1mg is a leading health-tech start-up in India that provides online pharmacy services, doctor consultations, lab tests, and health-related information.

Its mission is to make healthcare accessible, affordable, and transparent. In this competitive landscape, 1mg faces significant competition from other health-tech companies.

Analyzing these competitors helps **1mg** understand market dynamics, identify opportunities for differentiation, and refine its strategic approach.

(Interesting fact: 1mg was acquired by the TATA group in June of 2021)

Quick Reminder:

Why is Analyzing Competition Needed?

Competition analysis is crucial for **1mg** to:

1. Identify market trends and customer preferences.
2. Understand competitors' strengths and weaknesses.
3. Benchmark its performance and set realistic goals.
4. Discover gaps in the market to exploit.
5. Anticipate competitive moves and stay ahead.

Competitor Analysis Framework

1. Identify Competitors
2. Gather Information
3. List Strengths and Weaknesses
4. SWOT Analysis: Compare strengths & weaknesses to yours
5. Identify Market Positioning

The top three competitors that 1mg has identified as being a threat to its success include:

 <p>PharmEasy is an Indian e-pharmacy company that sells medicines, diagnostics and telehealth online.</p>	 <p>netmeds is an online Pharmacy selling a wide range of prescription and OTC medicines online & herbal too.</p>	 <p>Apollo 24 7 helps you get treated from Apollo certified doctors at any time of the day, wherever you are.</p>
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Competition Chart (macro factors) based analysis to identify threats & opportunities for 1mg

Parameters for comparison	PharmEasy	Netmeds	Apollo 24x7	1 mg
Products and Services	Offers online pharmacy services, diagnostic tests, and telehealth consultations.	Provides online pharmacy services, along with OTC products, wellness products, and teleconsultations.	Offers online pharmacy services, doctor consultations, diagnostic tests, and wellness products.	Provides online pharmacy services, doctor consultations, lab tests, and health-related information.
Strengths	Strong logistics network, extensive product range, significant	Strong brand presence, competitive pricing, and partnerships with	Backed by the Apollo Hospitals brand, extensive network of healthcare providers,	Comprehensive healthcare platform with online pharmacy, lab tests, and teleconsultations

	market share, and a robust mobile app.	healthcare providers.	comprehensive health services, and strong customer trust.	; user-friendly app; strong brand reputation for reliable health information.
Weaknesses	High customer acquisition costs, occasional delivery delays	Limited range of diagnostic services, less user-friendly mobile app interface compared to competitors.	Higher prices compared to some competitors, integration challenges between online and offline services.	Intense competition leading to high marketing and customer acquisition costs; operational challenges in expanding delivery network.
Market Positioning	Focuses on convenience and reliability, targeting urban and semi-urban consumers who seek hassle-free access to medicines and health services.	Targets cost-conscious consumers looking for affordable medication and health products, with a focus on tier 2 and tier 3 cities	Leverages the reputation and expertise of Apollo Hospitals to provide reliable and quality healthcare services, targeting both urban and semi-urban areas.	

1mg Evaluation of Threats and Opportunities

THREATS	OPPORTUNITIES
Consolidation in the market (e.g., PharmEasy's acquisition of Medlife); regulatory changes impacting online pharmacies; price wars reducing profit margins.	Expanding into underserved rural markets; enhancing AI-driven health recommendations and personalized services; increasing partnerships with healthcare providers and insurance companies.

on the Competition Analysis

- **Enhance AI Capabilities:** Develop advanced AI algorithms to provide personalized health recommendations based on user data. This includes tailored medication reminders, health tips, and alerts for potential drug interactions.
- **Expand Service Offerings:** Introduce mental health services, including online therapy and wellness programs. Partner with mental health professionals to offer comprehensive mental wellness packages.
- **Content Marketing:** Develop a robust content marketing strategy focused on health education. Publish informative blogs, videos, and infographics that address common health concerns and promote 1mg's services.
- **Logistics Optimization:** Invest in technology to optimize delivery routes and reduce delivery times. Use data analytics to predict demand and manage inventory efficiently.
- **Community Health Initiatives:** Develop and support community health programs and wellness camps. Collaborate with local health authorities and NGOs to build a stronger presence and trust in local communities.

Disclaimer: The above is for illustration purposes only – actual full facts and positions may vary from those mentioned above. All information is derived from public sources.

Competition Chart

A competition chart, also known as a competitive analysis chart or matrix, is a visual tool used to compare key attributes or features of products, services, or companies within a market. The chosen attributes or parameters would change depending upon what makes a company competitive in that industry.

This chart allows us to visually assess our startup in direct comparison to our competitors across key parameters like Business overview, Geographical presence, Pricing structure etc.

Here is an example of developing a Competitive Chart using the key factors or parameters of that industry for a Startup planning a new-age cab booking service in cities.



PARAMETER		
Business Overview	Asset-light ride-sharing platform	Asset-heavy electric vehicle (EV) ride-sharing platform
Geographical Presence	Global presence in numerous countries	Focused on specific cities (e.g., Delhi-NCR)
Fleet Composition	Mix of conventional and electric vehicles	Entire fleet consists of electric vehicles
Driver Status	Owner-drivers	Drivers are employed
Pricing Structure	Dynamic pricing based on demand and supply	Fixed and transparent pricing for EV rides; cheaper by 20% on short rides
Funding	Raised a total of \$13.2 billion	Raised a total of \$113 million
Customer Experience	Mixed; long wait times and cancellations	On-time and zero cancellations
Challenges/Risks	Regulatory challenges, competition in various markets	Evolving electric vehicle infrastructure, market acceptance
Customer Base	Diverse customer base including riders and drivers	Attracting environmentally conscious riders

C. Market Positioning

Market positioning is the art of defining how your customers perceive your product or service in relation to your competitors. Think of it as choosing your batting position in a cricket match – you want to play to your strengths and capitalize on the gaps left by your opponents.

Steps to Determine Your Market Positioning:

1. Context Setting:

- **Understand Your Customers' Needs:** What problem are you solving for your customers? How do they perceive this problem? What are their alternatives?
- **Identify Your True Competitors:** Who are your direct and indirect competitors? How do you compare to them? What makes you unique?
- **Competitive Alternatives:** How are your target customers solving their problem currently? What are the pros and cons of these alternatives?

2. Positioning Process:

- **Define Your Unique Value Proposition:** What is the unique value you bring to the market? How are you different, better, or special compared to your competitors?
- **Identify Your Best Fit Customers:** Who are the customers that truly value what you offer? What are their characteristics and pain points?
- **Find Your Market Category:** Where does your product fit in the market? What is the best context to make your value obvious to your target customers?

3. Messaging and Communication:

- **Craft a Compelling Positioning Statement:** A concise statement that clearly articulates your target market, the problem you solve, your unique value proposition, and the proof that backs it up.
- **Develop a Consistent Message:** Ensure your messaging across all channels reflects your positioning statement and resonates with your target audience.
- **Choose the Right Channels:** Identify where your target customers are most likely to see your message and focus your communication efforts there.

Additional Tips:

- **Involve Your Team:** Market positioning is a collaborative effort. Get input from sales, marketing, product development, and customer service.
- **Don't Be Afraid to Iterate:** Market positioning is not a one-time activity. Continuously refine your positioning as you learn more about your customers and the market.
- **Focus on Clarity and Simplicity:** Your positioning statement should be easy to understand and communicate.

The Positioning Map

Position mapping is a strategic tool used to visually represent the positioning of products, services, or brands relative to competitors in a market. It typically involves plotting various attributes or dimensions important to consumers on a graph, allowing businesses to understand their competitive landscape and identify opportunities for differentiation. By mapping their position, businesses can tailor their marketing strategies to meet customer needs and stand out in the market.

Value Proposition: The unique value that a product or service provides to customers, often used as a selling point to differentiate from competitors and attract customers. It highlights the key reasons customers should choose that product or service, focusing on how it solves their problems or fulfills their needs.

Example of a Position Map:



- The two axes should represent the most important factors for being competitive in your market. For example, the X-axis may represent customer satisfaction, while the Y-axis may represent price.
- Plot each competitor on the graph according to their (X,Y) coordinates.
- Plot your company on this chart, which will give you an idea of where you stand in relation to your competitors.

D. MOAT

A moat refers to a sustainable competitive advantage that protects a company from competition, allowing it to maintain its market position, value proposition and profitability over the long term. This advantage could be in the form of strong brand loyalty, patents, regulatory barriers, economies of scale, or proprietary technology.

Startups that can establish and fortify their moats are better positioned for long-term success as they create barriers that make it challenging for competitors to encroach upon their market position.

MOAT can come from one or more of several differentiating factors that are valued by customers:

- **Brand:** A strong and recognizable brand that customers trust and associate with quality.
- **Network Effect:** The value of a product or service increases as more people use it.
- **Technology or Intellectual Property:** Exclusive rights over inventions, designs, or processes.
- **Economies of Scale:** Cost advantages are due to the production of goods or services at a larger scale.
- **Data:** Access to large, valuable datasets that provide a competitive edge.

Call-To-Action

Map out and analyze your competitors

1. Analyse your competitors' relative strengths & weakness using the SWOT analysis / Competitors chart
2. Map your market position vis a vis competitors (see example above)
3. Define your MOAT and the key factors that help your venture create its MOAT

You could use the Market positioning template embedded here to develop your venture's positioning

